

**KOTAK MAHINDRA BANK LTD.**

**Customer Rights Policy**

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# CUSTOMER RIGHT POLICY

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## **Notice to the Reader**

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## Introduction

Reserve Bank of India in its endeavour to strengthen the interests of Bank customers had directed Banking Codes and Standards Board of India (BCSBI) and The Indian Banks' Association (IBA) to draft and circulate a 'Model Customer Rights Policy' which will enshrine broad, overarching principles for protection of Bank customers and enunciates the basic rights of Bank customers.

The policy applies to all Products and services offered by the Bank or its agents, whether provided across the counter, over phone, by post, through electronic devices, on internet or by any other method.

Based on the domestic experience and best global practices, IBA has drafted comprehensive Model Customer Rights policy which defines five basic rights of the customer -

- (i) Right to Fair Treatment,
- (ii) Right to Transparency and Honest Dealing,
- (iii) Right to Suitability,
- (iv) Right to Privacy and
- (v) Right to Grievance Redress and Compensation.

## Objective

Kotak Mahindra Bank Limited believes that protection of customer interest is an integral aspect of the Bank's culture. The Bank's Board of Directors and the Management Team is responsible for establishing best practices reflecting our strong commitment to provide fair services/ treatment to customers. The Bank's management team also ensures that our employees offer assistance, encouragement and service in a fair, equitable and consistent manner.

## Details of Customer Rights

The Bank has adopted the Customer Rights Policy which is detailed as below and Bank will communicate this policy to its customers by placing it on the Bank's website.

### (i) Right to Fair Treatment:

Both the customer and the Bank have a right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.

In pursuance of the above Right, Bank will -

- a) Promote good and fair Banking practices by setting minimum standards in all dealings with the customer;

- b) Promote a fair and equitable relationship between the Bank and the customer;
- c) Train Bank staff attending to the customers, adequately and appropriately.
- d) Ensure that staff members attend to customers and their business promptly and courteously.
- e) Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status, physical ability, etc. Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible commercially acceptable economic rationale for customer differentiation. Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes / products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by the Bank wherever required;
- f) Ensure that the above principle is applied while offering all products and services;
- g) Ensure that the products and services offered are in accordance with relevant laws and regulations

While it shall be the endeavour of the Bank to provide its customers with hassle free and fair treatment, Bank would expect its customers to behave courteously and honestly in their dealings with the Bank.

It shall also be the Bank's endeavour to encourage its customers to approach the Bank's internal grievance redressal machinery and approach alternate fora after exhausting all their remedies under Bank's internal grievance mechanism.

**(ii) Right to Transparency, Fair and Honest Dealing:**

Bank should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and financial service provider, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the Bank will -

- a) Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the Bank;

- b) Ensure that the Bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;
- c) Provide customers with clear information about its products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product;
- d) Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language.
- e) Make known the key risks associated with the product as well as any features that may especially be disadvantage to the customer. Most important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that such terms will not inhibit a customer's future choice.
- f) Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines or help-desk and where appropriate the customer will be informed directly;
- g) Display the Tariff Schedule on its website and a copy of it will be made available at every branch for customer's perusal. Also will display in its branches a notice about the availability of the Tariff Schedule at the branch;
- h) Give details, in its Tariff Schedule, of all changes, if any, applicable to the products and services chosen by customer;
- i) Inform the customer of any change in terms and conditions through a letter or Statement of Account, SMS or email as agreed by the customer at least one month prior to revised terms and conditions becoming effective;
- j) Ensure that such changes are made only with prospective effect after giving notice of one month. If the Bank has made any change without giving such notice which is favourable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice.
- k) Provide information about the penalties/charges leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer;
- l) Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession;
- m) Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly;

- n) Ensure to communicate to the applicant within a reasonable time period as decided by the Bank about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in writing the reasons for availing a product / service and convey in writing the reasons for not accepting / declining the application. Such period will be notified in the Bank's website and also in application of the particular product or service;
- o) Communicate unambiguously the information about -
  - i. Discontinuation of particular products,
  - ii. Relocation of its offices,
  - iii. Changes in working hours,
  - iv. Change in telephone numbers,
  - v. Closure of any office or branch

with advance notice of at least 30 days. Also affirms that disclosure of information is an on-going process through the life-cycle of the product / relationship and will be diligently followed by them. Ensure to use all possible channels of communication, including web-site, to ensure that information on all changes are made know to the customer upfront;

- p) Advise the customer at the time of selling the product of the rights and obligations embedded in law and / or Banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter;
- q) The Bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision;
- r) Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;
- s) Assist the customer in all available ways for managing his / her account, financial relationship by providing regular inputs in the Bank's realms such as account statements / passbooks, alerts, timely information about the product's performance, term deposits maturity etc.;
- t) Ensure that all marketing and promotional material is clear and not misleading;
- u) Not threaten the customer with physical harm, exert influence or engage in behaviour that would reasonably be construed as unwarranted harassment. Ensure adherence only to normal appropriate business practices;
- v) Ensure that the fees and charges on products / services and its structure are not unreasonable to the customer

**(iii) Right to Suitability:**

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

In pursuance of the above Right, the Bank will -

- a) Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale;
- b) Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in its records.
- c) Ensure that Sales staff is certified, trained and authorised to sell the Products and Services to the customer. The sales staff does the suitability analysis before selling the wealth/ high risks products.
- c) Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products;
- d) Not compel a customer to subscribe to any third party products as a quid-pro-quo for any service availed from the Bank;
- e) Ensure that the products being sold or services being offered, including third party products are in accordance with extant rules and regulations;
- f) Inform the customer about his / her responsibility to promptly and honestly provide all relevant and reasonable information that is sought by the Bank to enable them to determine the suitability of the product to the customer.

**(iv) Right to Privacy:**

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

In pursuance of the above Right, Bank will -

- a) Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual / institutions including its subsidiaries / associates tie-up institutions etc. for any purpose unless:

- i. The customer has authorized such disclosure explicitly in writing and for any of the Products and during transaction which requires any authorization
  - ii. Disclosure is compelled by law / regulation;
  - iii. Bank has a duty to the public to disclose i.e. in public interest;
  - iv. Bank has to protect its interests through disclosure;
  - v. It is for a regulatory or a mandated business such as disclosure of default to credit information companies or debt collection agencies
- b) Ensure such likely mandated disclosures to be communicated immediately to the customer in writing;
- c) Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;
- d) Shall adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communication with customers.

**(v) Right to Grievance Redress and Compensation:**

It is our endeavour to provide clear and easy way to raise any valid grievances against the Bank for speedy redressal.

If during course of relationship, the customer feels that the Bank has misled him/her or has subjected to unfair businesses or marketing practices or the Bank has threatened with physical harm, then he/she can exercise his rights of complaining to the Bank as per process prescribed in the Grievance redressal policy of the Bank.

Also, the Bank has in place Customer compensation policy duly approved by its board and the same is displayed on the Bank's website. The policy covers various instances for which Bank will compensate to its client for its mistakes, lapses in conduct, non-performance or delay in performance

In pursuance of the above Right, Bank will

- a) Deal sympathetically and expeditiously with all things that go wrong;
- b) Correct mistakes promptly;
- c) Cancel any charge that has been applied wrongly and by mistake;
- d) Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapse;

**The Bank -**

- a) Has placed in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
- b) Has placed ~~Place~~ in public domain the Compensation Policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with agreed terms of contract;
- c) Will ensure to have a robust and responsive grievance redressal procedure which clearly indicates the grievance resolution authority who shall be approached by the customer;

- d) Will always make grievance redressal mechanism easily accessible to customers
- e) Will advise the customer about how to make a complaint, to whom such a Complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome;
- f) Has displayed name, address and contact details of the Grievance Redressal Authority / Nodal officer. The time limit for resolution of complaints will be clearly displayed / accessible at all service delivery locations;
- g) Has displayed at its branches, website and ATMs the escalation process informing the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time;
- h) Has placed in public domain information about Banking Ombudsman Scheme;

**Further, the Bank will -**

- a) Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 30 day period will be reckoned after all the necessary information sought from the customer is received; except in cases pending with NPCI

Below are 6 Complaint types where TAT has dependency on Network:

Type	Sub_Type	Business_Unit	TAT Revision
DC Fraud Related	Debit Card Secured Txn Greater than 5000	RL	Network dependency
CC FRAUD	Unsecured Credit Card transaction	CC	Network dependency
CC FRAUD	Credit Card Secured Txn Greater than 5000	CC	Network dependency
CC FRAUD	Unauthorized Credit Card transaction	CC	Network dependency
CC Fraud Related	Fraud Committed Outside Bank	CC	Network dependency
Transaction Related Complaints	PreArbitration / Arbitration	RL	Network dependency

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

In addition, the Bank will

- a) Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of product not performing as per specifications or things going wrong. However, the Bank will not be liable for any

losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.),

- b) Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest / charges).

**More Information about the Policy:**

- a) Any queries about the “Customer Rights Policy” may be addressed to -  
Kotak Mahindra Bank Ltd  
P.O. Box: 16344, Mumbai - 400013  
Tel No: 1860 266 2666  
Email: <https://www.kotak.com/en/customer-service/contact-us/email-us.html>  
Website: [www.kotak.com](http://www.kotak.com)
- b) The Policy will be available on our website and copies will be made available on request at any of our Branches