



Customer Rights Policy

History of Revisions

Version	Summary of Revisions	Date of Approval
6.0	Periodic Review	25-Jul-24
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3.0	Annual Review	29-Jan-20
2.0	Annual Review	31-Jan-19
1.0	Policy Formulation	30-Jan-18

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1. Preamble

1.1 Objective of the Policy

The objective of this policy is to set up a framework, which will enable Equitas Small Finance Bank Limited to protect the basic rights of its customers by adapting the overarching protection principles of Customer rights as defined by the Regulator.

1.2 Scope of the Policy

This policy will cover the roles and responsibilities of Equitas Small Finance Bank Limited (“ESFB” or “the Bank”) in delivering all products and services offered by the Bank or its agents to its customers, whether provided across the counter, over phone, by post, through interactive electronic devices, on the internet or by any other method.

2. Regulatory Framework - Applicable Regulations

2.1 [RBI Press Release on Charter of Customer Rights dated December 3, 2014](#)

2.1.1 Board-approved Policy

Banks to prepare their respective Board-approved policies incorporating the five basic rights of the Charter as defined by the Regulator. The Policy should also contain a monitoring and oversight mechanism for ensuring adherence. (Para 3 of the Release)

2.1.2 Charter of Customer Rights - Right to Fair Treatment

Both the customer and the financial services provider 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. (Clause 1 of Charter)

2.1.3 Charter of Customer Rights - Right to Transparency, Fair and Honest Dealing

The financial services provider 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. (Clause 2 of Charter).

2.1.4 Charter of Customer Rights - 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. (Clause 3 of Charter).

2.1.5 Charter of Customer Rights - Right to Privacy

Customers' personal information 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. 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. (Clause 4 of Charter).

2.1.6 Charter of Customer Rights - Right to Grievance Redress and Compensation.

The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate the redressal of grievances stemming from its sale of third-party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur. (Clause 5 of Charter).

2.2 TRAI Regulations on Telecom Commercial Communications Customer Preference Regulations dated July 19, 2018.

“Unsolicited Commercial Communication or UCC” means any commercial communication that is neither as per the consent nor as per the registered preference(s) of recipient, but should not include:

- a. Any transactional message or transactional voice call;
- b. Any service message or service voice call;
- c. Any message or voice calls transmitted on the directions of the Central Government or the State Government or bodies established under the Constitution, when such communication is in Public Interest;
- d. Any message or voice calls transmitted by or on the direction of the Authority or by an agency expressly authorized for the purpose by the Authority.

3. ESFB Policy Framework

The ESFB Policy Framework has been drafted in accordance with the above applicable regulations and the Model Customer Rights Policy approved by the Indian Banks Association.

3.1 Right to Fair Treatment

In pursuance of the above ‘Right’, the Bank will

- a. Promote good and fair banking practices by setting minimum standards in all dealings with the customers.
- b. Promote a fair and equitable relationship between the Bank and the customer.
- c. Train the 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.
- 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 will be the endeavour of the Bank to provide its customers with hassle-free and fair treatment, the Bank expects its customers to behave courteously and honestly in their dealings with the Bank.

It will also be the Bank's endeavour to facilitate its customers to approach the Bank's internal Grievance Redressal mechanism and approach alternate channels only after exhausting all their remedies under the Bank's internal Grievance Redressal mechanism.

3.2 Right to Transparency, Fair and Honest Dealing

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 a 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 disadvantage the interest of the customer. Most Important Terms and Conditions 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.
- g. Display the Tariff Schedule on its website and make available a copy of it at every branch for perusal by the customer.
- h. Give details, in their Tariff Schedule, of all charges, if any, applicable to the products and services chosen by the customer.
- i. Inform the customer of any change in the terms and conditions through a letter or Statement of Account or SMS or email as agreed by the customer at least one month prior to the 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 not favourable to the customer, prior notice of minimum 30 days will be provided, and the customer may be provided the option 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 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 and Compensation.
- m. Make every effort to ensure that the staff dealing in a particular product are 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 not accepting / declining the application. Such period will be notified on the Bank's website and also in the application form of the particular product or service.
- o. Communicate unambiguously the information about
 - i. discontinuation of particular products,
 - ii. relocation of their 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. Ensure to use all possible channels of communication, including website, to ensure that the information on all changes is made known 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 regulations including the need to report any critical incidents that the customers suspect, discover or encounter.
- q. The Bank's staff members will, 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 realm such as account statements/passbooks, alerts, timely information about the product's performance, maturity of term deposits 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 could reasonably be construed as unwarranted harassment and ensure adherence only to the normal business practices.
- v. Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer.

3.3 Right to Suitability

In pursuance of the above 'Right', the Bank will

- a. Sell third-party products only if it is authorized to do so. The Bank will have a Board-approved policy regarding marketing and distribution of third party financial products which will assess the suitability of products for customers prior to the sale.
- b. Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and based on assessment made by the Bank.
- c. Not compel a customer to subscribe to any third-party products as a quid-pro-quo for any service availed from the Bank.
- d. Ensure that the products being sold, or services being offered, including third-party products, are in accordance with extant rules and regulations.
- e. Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by the Bank in order to determine the suitability of the product to the customer.

3.4 Right to Privacy

In pursuance of the above 'Right', the Bank will

- a. Treat customer's personal information as private and confidential (even when the customer is no longer banking with the Bank), 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
 - ii. The disclosure is compelled by law / regulation;
 - iii. The Bank has a duty to the public to disclose i.e. in public interest.
 - iv. The Bank has to protect its interests through disclosure.
 - v. It is for a regulatorily mandated business purpose such as disclosure of default to Credit Information Companies or debt collection agencies.
- b. Ensure such likely mandated disclosures be communicated immediately to the customer in writing.
- c. Not use or share the customer's personal information for marketing purposes, unless the customer has specifically authorized it;
- d. Adhere to Telecom Regulatory Authority of India (TRAI) regulations, whilst communicating with customers.

3.5 Right to Grievance Redress and Compensation

3.5.1 In pursuance of the above 'Right', the 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 bank lapses.

3.5.2 The Bank will also

- a. Place in public domain its Customer Grievance Redressal Policy, including the Grievance Redressal procedure available to the customer.
- b. Place in public domain the Customer Compensation Policy for delays / lapses in conducting /settling customer transactions within the stipulated time and in accordance with the agreed terms of contract.
- c. Ensure to have a robust and responsive Grievance Redressal procedure and clearly indicate the grievance resolution authority which will be approached by the customer.
- d. Make the Grievance Redressal Mechanism easily accessible to customers.
- e. Educate 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. Display the 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. Inform 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. Place in public domain information about the Banking Ombudsman Scheme.
- i. Display at customer contact points, the name and contact details of the Banking Ombudsman under whose jurisdiction the Bank's branch falls.
- j. 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 and in case of issues related to external agencies/ other banks/ third party products/ services, resolve it within 60 days.
- k. 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.

3.5.3 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 products 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 that customer is refunded without delay and demur along with interest/ charges, if the liability of the customer cannot be established beyond reasonable doubt, on any disputed transaction.

4. Provisions in policy over and above but in consonance with RBI guide lines - None

5. Changes to the Policy - None

6. Periodicity of Review of the Policy

The Board will review this policy within 18-24 months of the previous review or at such intervals as may be required considering regulatory and business exigencies.

Author of the Policy	Customer Service- Mr. Dheeraj Mohan
Reviewer of the Policy	Compliance
Name of Committee which recommended to the Board	Executive Policy Formulation Committee
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Date of Next Review	July 25, 2026