

# **CITIZENS CHARTER**

A Charter for Customer Services



**Karnataka Bank Ltd**



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# 1. MISSION

**"Our mission is to be a technology savvy, customer centric progressive bank with a national presence, driven by the highest standards of corporate governance and guided by sound ethical values."**

# 2. APPLICATION OF CHARTER

## a. DISCLAIMER

It is not a legal document creating rights and obligations. The Citizen's Charter does not by itself create new legal rights, but it surely helps in enforcing existing rights.

This Charter applies to **all products and services** listed below whether provided by branches, subsidiaries and agents acting on behalf of the banks, across the counter, by post, through interactive electronic devices and through technology (**Alternate Delivery Channels**).

## b. NOTICE TO THE READER

This Citizen Charter document is the property of Karnataka Bank Limited and is for use only by Karnataka Bank Limited and its customers. It must not be copied, disclosed, circulated or referred to in correspondence with external parties or discussed with any other third party other than for any regulatory requirements, without prior written consent.

## c. KYC COMPLIANCE

In order to comply with regulatory/ statutory requirements, while opening the account we will adhere to the Know Your Customer (KYC) Norms, Anti Money Laundering (AML) guidelines, satisfy ourselves about the identity, including verification of address of a person/s, seeking to open an account, to assist in protecting the prospective customer/s, members of the public and ourselves against fraud and other misuses of the banking system. We will also satisfy ourselves about the sources of income of the existing/ prospective customer. Customers shall also provide the desired documents as per the requirements of the bank for updation and verification as per the periodicity of submission.

#### **d. PRODUCTS**

- a. All deposit accounts e.g. Savings Accounts, Current Accounts, Term Deposits, Recurring Deposits, NRE, FCNR and NRO.
- b. Offer nomination facility to all deposit accounts (i.e. account opened in Individual/ Joint / Proprietorship capacity) and all safe deposit locker hirers (i.e. Individual hirers).
- c. Fund based (Retail Loans, Demand Loan, Term Loan, Cash credit, Overdrafts) and Non fund based (Letter of Credit/ bank guarantee).
- d. Foreign exchange products including remittances.
- e. Third party products and investment products.
- f. Demat Accounts and Applications Supported by Blocked Amount (ASBA) facility.
- g. Card products including Debit Card, Travel Card & Gift Cards.

#### **e. SERVICES**

- a. Remittance facility to the customers by transfer through RTGS/NEFT/EFT/ IMPS, Issuance of Demand Drafts etc.
- b. Mobile Banking/ Internet Banking etc.
- c. Collection of cheques etc.
- d. Safe custody services, safe deposit locker facility etc.
- e. Indian currency notes exchange facility etc.
- f. Other services.

### **3. OUR COMMITMENTS**

#### **(i) To act fairly and reasonably in all dealings with the customers in matters of :-**

- a. Providing minimum banking facility of receipt and payment of cash/cheques at the banks counters. Basic banking services are also provided through Basic Savings Bank Deposit Accounts.
- b. Meeting the commitments and standards in the Charter for the products and services offered and in the procedure and practices followed.

- c. Ensuring that products and services meet relevant laws and regulations in letter and spirit.
- d. Ensuring dealings with the customers rest on ethical principles of integrity and transparency.
- e. Operating a secure and reliable banking and payment system.
- f. Dealing quickly and sympathetically with customer grievances arising due to errors, delays in handling of customer related issues or on account of problems arising due to technological failure.
- g. Fair treatment to customers.
- h. Complaints raised by customers are dealt with courtesy and on time.
- i. Informing the Customers fully of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response of the bank to their complaints.
- j. Treating all complaints efficiently and fairly as they can damage the bank's reputation and business if handled otherwise.

**(ii) To display on bank's website:**

- a. **Public Awareness of the Banking Ombudsman Scheme** - Due importance is given to the publicity of the Banking Ombudsman Scheme 2006. The Banking Ombudsman Scheme 2006 is uploaded on the website of the bank and is available on request at any of our bank branches.
- b. **Approach to Customer Service** - Our policies clearly lay out our approach to Customer Service. The policies are available in our bank's website.
- c. **The Bank's approach to Financial Education aspects** –The bank on a regular basis educates our customers on different aspects of the products and services offered by the bank through print & electronic media. The bank has also actively taken up customer education awareness regarding security threats like phishing mails through Website, Email, SMS etc.

**d. Customer Centricity** – The Bank has training programmes to inculcate the attitude of customer service and to deliver customer delight.

**e. Grievance Redressal Mechanism** - The Bank has a well prescribed Grievance Redressal Policy with a prescribed time frame for resolution of complaints. The same is available on the bank's website.

**f.** The Bank annually codifies all its policies/operational guidelines so as to help the frontline staff to serve the customers in a better manner.

**g. Internal Audit** – The internal inspection/audit reports of banks will adequately focus on customer service and the Audit rating will appropriately reflect the importance of customer service.

**h.** A comprehensive policy for Customer Acceptance, Customer Care and Customer Severance is covered under the following policies which are available in the website of the bank.

- **KYC/AML Policy**
- **Deposit Policy.**
- **Cheque Collection Policy.**
- **Compensation Policy.**
- **Collection of Dues and Security Repossession Policy.**
- **Loan Policy.**

**(iii) To maintain privacy and confidentiality of the customers' personal information, except in the following cases.**

- a.** Where the disclosure is under compulsion of law.
- b.** Where there is duty to the public to disclose.
- c.** Where interest of the bank requires disclosure.
- d.** Where the disclosure is made with the express or implied consent of the customer. However, the bank may utilize the information for cross- selling of own products/services.

**(iv) To publicize the charter bank will:-**

- a. Provide the customer a copy of the Charter on request.
- b. Make available the Charter on the Bank's website.
- c. Ensure training to the staff to put the Charter into practice.

**(v) To provide services to the customers as per standards laid down in the Code of Bank's Commitments to customers of BCSBI.**

The bank is a member of BCSBI and is committed by the codes. The **BCSBI Codes** viz. The Code of Commitment to Customers & Code of Commitment to MSE's are available in the website of the Bank and copies of the same are also provided at the Branches.

**(vi) Special Customers**

**(A) Pensioners and Other Senior Citizens**

There is a prioritized service rendered to senior citizens & physically challenged etc. by effective branch management as envisioned in the Branch Management Policy of the bank. The needs of the senior citizens and the physically challenged persons will also be an important input for Bank in deciding on the branch locale and its access. Your feedback in this regard can be shared with any of our branches / branch level customer service committee meetings.

**(B) Customers in Rural and Semi urban Areas**

The Bank ensures proper currency exchange facilities and also the quality of notes in circulation in rural areas. It also ensures that the branches are opened as per the schedule times and operating them for the full hours.

**(C) Self Help Groups (SHGs)-**

- a) SHG members will not be forced to take insurance products
- b) Bank will provide loans to SHGs in tranches. However, the same will take into account

the business requirements of the SHG rather than depending solely on the repayment made by the SHGs.

**(D) Providing banking facilities to Visually Impaired & Disabled Persons –**

- a) In order to facilitate access to banking facilities by visually challenged persons, bank will offer banking facilities including cheque book facility / operation of ATM / locker etc., to the visually challenged who are capable of using those facilities.
- b) Legal Guardianship Certificate issued under the National Trust Act, 1999 empowers the disabled person(s) with autism, cerebral palsy, mental retardation and multiple disabilities to have accounts.
- c) Bank will rely upon the Guardianship Certificate issued either by the District Court under Mental Health Act or by the Local Level committees under the above Act for the purposes of opening / operating bank accounts.
- d) Essential details about the facilities are enumerated in the Enactment (Mental Disabilities Act)

**(vii) Payment of Balance in Accounts of the Deceased Customers to Survivors/ Claimants**

The bank follows a simplified procedure for settlement of death claims without insisting on production of succession certificate. However, the bank may adopt such safeguards in considering settlement of claims as appropriate including accepting an indemnity bond. The bank will adopt simplified procedures for settlement of claims of the deceased customers relating to deposits, contents of Lockers and articles kept in safe custody with the bank. The bank is continuously communicating to its customers for making nomination in the accounts in terms of the provisions of Banking Regulation Act.

**(viii) Exchange of Soiled/Slightly Mutilated Currency Notes at Private Sector Banks**

All the branches of the bank will exchange freely soiled and slightly mutilated / cut notes of all denominations. Customers should ensure that no essential feature of the note is missing. The

bank's currency chest branches will exchange torn/mutilated / defective notes free of cost. Currency exchange facility is offered to the Bank's customers and others. The Bank follows RBI guidelines in this respect. RBI has permitted the banks to exchange mutilated currency notes which are genuine and where mutilations are such as not to cause suspicion or fraud. The Bank's currency chest branches exchanges all categories of mutilated currency notes. Refund value of these notes is, however, paid as per RBI (Note refund) Rules.

### **(ix) Safe Deposit Vaults (Lockers)**

The facility of safe deposit lockers is an ancillary service offered by the Bank. There will be a completely transparent process in the allocation of locker facility. The bank's branches offering this Facility will indicate / display this information. The identification of locker branches shall be done by the Bank at its discretion based on potential and commercial considerations etc. as the relationship of the Bank with the locker hirer(s) is that of Bailer and Bailee.

Bank shall exercise due care and necessary precautions for the safety of lockers provided to the customers like ordinary prudence will do in his case. However, bank shall not be liable for any damage or loss to lockers or its contents, due to any reasons(s) whatsoever.

The major aspects governing the services:

- a)** A locker may be hired by an individual (not minor), firm, limited Company, specified associations, societies, etc.
- b)** Nomination facility is available to individual hirer of safe deposit Locker.
- c)** Loss of key should be immediately informed to the branch. However, all the expenses incurred in repairing the lock and key shall be borne by the hirer(s).
- d)** Lessee may use his/her own pad lock on the locker. Locker holders are however, advised to get an insurance cover for the jewellery, valuables etc. kept in the locker.
- e)** Lockers are available in different sizes.
- f)** Lockers are rented out for a minimum period of one year. Rent is payable in advance. In case of overdue rent, the bank will charge penalty as decided from time to time.
- g)** The rent may be paid from the deposit account of the lessee through standing instruction.

- h)** The Bank reserves its right to break open the locker if the rent is not paid despite notices sent by the bank as per the rules, and recover charges thereof.

The facility of safe deposit vault is available to customers having Savings/Current account with the bank. For availing the above facility, the customer has to deposit a prescribed amount in fixed deposit for a minimum period of three years for meeting the annual rent of the locker out of interest and to meet break open charges, if required.

### **(x) Remittance Services**

- a)** Customers may remit funds from one center to another center by RTGS, NEFT/EFT and Demand Drafts by paying specified charges.
- b)** Demand Drafts for ₹.50, 000/- and above will be issued by only by debit to the customer's account or against cheques or other instruments tendered by the purchaser and not against cash payment. Similarly, such payments for ₹.50, 000/- and above will be made through banking channels and not in cash. Before taking delivery of the drafts, customer is to verify that the draft is complete in all respects including signature of the official(s) along with their specimen signature numbers at the place provided for. DD's would be valid as per the RBI's guidelines in this regard from time to time.

### **(xi) ATM / DEBIT CARD TRANSACTIONS:**

Branches in North Eastern region will endeavor to arrange for backup of alternate sources of energy for supply of power for ATM machines so as to ensure continuous service is being provided to the customers. In case of doubt about the success / failure of an ATM transaction, the copy of the JP log called for from an acquiring bank and the preceding and succeeding transactions will also be included in the copy.

### **(xii) MOBILE BANKING**

The features of Mobile Banking offered by the bank include:

- 1.** Anytime, Anywhere Banking.
- 2.** Experience online banking - without a PC or internet connection.

3. View details across Accounts, Term Deposits & Loans.
4. Send and receive money from mobile, instantly.
5. Payment Service (IMPS).
6. Pay utility bills.
7. Secured platform - encrypted communication.

### **(xiii) SMS / E-MAIL ALERTS**

Account Statement in PDF format will be sent by e-mail, if customer requests so (password encrypted document). Bank will send e-mail giving the balance position at agreed periodicity viz., daily, weekly, fortnightly etc. to Savings/Current account holders with high transactions depending upon the customer's request. We also send email statements to all customers who have their email ID's registered with the bank, on request.

### **(xiv) ECS MANDATE MANAGEMENT SYSTEM**

Bank will ensure that ECS Mandate Management System is working effectively to comply with the mandate given by the customer in respect of limit of debit amount, expiry date, withdrawal of mandate, etc. Withdrawal of mandate for any ECS debit payment will not be left to the mercy of the beneficiary.

### **(xiv) LOANS AND ADVANCES**

Pricing and Non-pricing Terms and Conditions of Loans-

- a) All Pricing and Non-pricing Terms and Conditions of Loans will be in strict conformity with the Regulatory Guidelines and correctly capture the risks involved.
- b) Bank will provide Housing Loan Interest Certificate/Education Loan interest Certificates required for Income Tax purpose by the borrowers every year. CBS software will be enabled to generate/issue such certificates in the month of April every year.
- c) Loan Statement - Bank will ensure that loan statements are issued to the borrowers

periodically giving details of loan disbursed, demands and repayments effect along with interest and details of charges.

- d) Loan Documents - Borrower will be made aware upfront about various documents required to be produced for sanctioning of loan application,
- e) Bank will automatically provide annual account statement to Home Loan customers without request from them. Such statements will contain details of payment made towards principal and interest including principal outstanding.
- g) Bank will send SMS or e-mail alert informing the change in interest rate on loan availed due to change in base rate etc.

#### **4. STANDARDS FOR SERVICES**

Ultimate delivery channel is Branch Office/specialized Branch Office besides availability of alternative delivery channel viz. ATMs, INTERNET BANKING SERVICE, Mobile Banking etc. It is the responsibility of Branch Head to provide services to the customers as per standards/norms. Customers can obtain the details of the products /services from the Branch or download from Bank's public domain website. Bank reserves the right to change /amend the terms and conditions of any Scheme/services at any time.

Branch Head is responsible for the resolution of complaints / grievances in respect of customer's service by the branch. S/he would be responsible for ensuring closure of all complaints received at the branches. It is his / her foremost duty to see that the complaint is resolved completely to the customer's satisfaction .If the branch manager feels that it is not possible at his / her level to solve the problem the matter would be escalated to appropriate higher authority as laid down in the Grievance Redressal Policy of the Bank.

Indicative time norms for various transactions subject to submission of required documents by customers are given below

SI No	Customer Request Received at Branch	Average Turnaround Time
1	Depositing of Cash (Depending upon the denomination)	5 - 15 Minutes
2	Encashment of Cheque	5 - 15 Minutes
3	Updating of SB Passbook with 5 or 6 entries and delivery of the same	10-15 Minutes
4	Updating of SB Passbook with a large number of entries and delivery of the same	Next Working Day
5	Issue of a new Cheque Book	10-15 Minutes
6	Issue of Demand Drafts:  a) Against cheque drawn on customer's account in the branch b) Against Cash deposited	15-20 Minutes  20-25 Minutes
7	Opening of an Account	15-20 Minutes
8	Collection of Cheques:  a) Cheques drawn on our Bank ( Local/Outstation)  b) Cheques drawn on other Banks:  1.Local  2.Outstation	1 Day  2-3 Days  7-14 Days
9	Settlement of Claims (On receipt of claim complete in all respects)	Not exceeding 15 days
10	Release of Inward Bills	15-30 Minutes.

## 5. EXPECTATIONS FROM CUSTOMERS FOR QUALITATIVE AND EFFICIENT SERVICES.

- a. Check your statement of account or passbook regularly.
- b. Bring pass book while withdrawing cash from savings bank account through withdrawal slip.  
Get pass book updated from time to time.
- c. Ensure safe custody of cheque book and pass book. Pass book, Cheque book, ATM/Debit Card are not to be kept together.
- d. Issue crossed/account payee cheques as far as possible.
- e. Ensure cheque is crossed and at the back of the cheque the account number and mobile number is mentioned before dropping in the cheque drop box.
- f. While tendering the cheques at the branch for collection / dropping the cheques in drop box, acknowledgement can be obtained from the officials.
- g. Check the details of the cheque namely, date, amount in words and figures, crossing, etc. before issuing it. As far as possible, issue cheques after rounding off the amount to nearest rupee.
- h. To prevent from any loss, cheque be issued without cutting/overwriting. No changes / corrections should be carried out on the cheques. For any change in the payee's name, courtesy amount (amount in figures) or legal amount (amount in words) etc. fresh cheque forms should be used by customers. This would help banks to identify and control fraudulent alterations. Cutting in date, wherever required should be for re-validation of "Stale Cheque". Blanks in spaces meant for writing, Payee(s) Name/Amount in word and figure should be securely plugged by putting cross/drawing a line.
- i. Cheque(s) issued with cuttings is / are liable to be rejected if presented in clearing functioning under "Cheque Truncation System" (CTS), even though the cutting/s is / are authenticated.
- j. Send the cheques and other financial instruments by Registered post or by courier. Do not sign blank cheques. Do not record your specimen signature either on pass book or on cheque book.
- k. Not to issue cheque without adequate balance; maintain minimum balance as specified by the bank.

- l.** Use nomination facility.
- m.** Note down account numbers, details of FDR, locker number, etc. separately.
- n.** Inform change of address, telephone number etc. to the branch.
- o.** Inform loss of demand draft, fixed deposit receipt, cheque leave(s)/book, key of locker, etc. immediately to the Branch.
- p.** Pay interest, installments, locker rent and other dues on time.
- q.** Not to introduce any person who is not personally known to you for the purpose of opening account
- r.** Ensure safe custody of the Delivery Book in the Demat Accounts and not to keep any blank signed slip in the Book.
- s.** Complaint relating to deficiency of customer service should be reported within a reasonable time.
- t.** Operate account regularly to maintain the status as operative/Active. Inform Bank if you intend not to operate the account for some time.
- u.** Avail standing instructions facility for repeat transactions.
- v.** Ensure safe custody of credit card, debit/ATM card. Wherever signature on the card is mandatory, it should not be left unsigned.
- w.** Ensure confidentiality of password for internet banking and PIN for Credit /Debit Card. In case of loss of ATM/Debit card, notify your bank (bank's call centre) to take immediate steps to prevent the same from being misused. Customer shall be liable for any misuses until the time the bank has been notified.
- x.** Do not give account details, password for any other security information to anyone. Memorize personal identification number (PIN) and change it on regular basis.
- y.** Do not to respond to any unauthorized email/ email asking for password/ PIN.
- z.** Use SMS alert facility and notify any change in mobile number.
- aa.** Avoid accessing bank's internet banking site through a link from another site or an email. Verify the domain name displayed to avoid spoof website.
- bb.** Don't use cyber cafés/shared PCs to access any internet banking site.
- cc.** Log off the PCs when not in use.
- dd.** As a matter of good practice, personal firewall software and antivirus software should be

installed on desktop and latest available updates should be regularly downloaded. In case of doubt reconfirm by double checking the Padlock Symbol/Icon on webpage to ensure that the site is running in secure mode before any confidential/sensitive information is fed.

- ee.** Change internet banking password regularly. Keep password a combination of alphabet, special character and number.
  - ff.** Always logout from internet banking before closing the window. Use virtual key board for entering internet banking login ID and Password especially when not using own PC. There might be a risk of capturing key strokes.
  - gg.** Do not store ID/PIN in the internet explorer browser.
  - hh.** Cooperate with the Bank/ police / any other investigating agency, for any investigation on any transaction on your account
  - ii.** Bring any deficiency in services to the notice of the bank.
  - jj.** Correct PAN number / form 15G or 15H is to be furnished at the commencement of financial year enabling to deduct TDS correctly.
  - kk.** Account holder is to ensure that account is not used for money laundering or for any fraudulent transaction.
- II.** Customer obligation - Proper utilization of Bank Loan and Timely Repayment.

## **6. CUSTOMER EDUCATION**

- a)** BCSBI Codes are exhibited on our public domain website for easy reference of customers.
- b)** Special efforts will be made to educate the customers in the use of technology in banking.
- c)** Bank will ensure full transparency to the customer in levying of various fees/service charges and penalties.
- c)** Bank has a dedicated Customer Service & Grievance Redressal Cell for augmenting the customer service initiatives of the bank and for ensuring smooth functioning of the grievance redressal system of the bank.
- d)** Bank will use various technology channels for customer education and gathering suggestion for improving service will be made.

## 7. GRIEVANCE REDRESSAL MECHANISM

We are committed to serve you to your satisfaction. However, should you feel that our services need improvement and wish to lodge your feedback / complaint; we welcome your valuable suggestions and feedback. **Our endeavor shall be to convert your complaint into a compliment.**

In case of any complaint about our service or product, the matter may be brought to the notice of the concerned Branch Head for its immediate redressal. Kindly obtain the feedback / complaint form from the branch or you may download from our website [www.karnatakabank.com](http://www.karnatakabank.com) and submit it against acknowledgement to the branch or send it through email.

The grievance may be sent giving full details of the case to the branch where your account is maintained.

If the complaint is not resolved to your satisfaction within a month, you are free to take recourse to The Banking Ombudsman located in State Capitals under Banking Ombudsman Scheme 2006. Presently, Banking Ombudsman is located at 16 Locations. The details of the scheme are provided in our website.

**This Citizen Charter, inter-alia, provides the customers with a broad framework of the customer service initiatives of the bank including the time frame for various services offered by the bank and in order to have a better perspective about the customer's rights and obligations, the charter should be read in conjunction with the "Code of Bank's Commitments to Customers" being voluntarily adopted by the banks and implementation of which are monitored by Banking Codes and Standards Board of India (BCSBI).**

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