

Customer Rights Policy

THE NAINITAL BANK LIMITED
Regd. Office: G.B. Pant Road, Nainital. Uttrakhand

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1. Preamble

Banking is a service industry. The business of bank entirely depends on the customer. With the development in banking and increased competition, customer satisfaction from the Banking services has become one of the most important factor which drives the banks business growth. It is therefore very important that the rights of customer are protected and an optimum level of service is provided to customers.

2. Objective

The objective of the policy is to enshrine basic rights of the customers of the banks regulated by the Reserve Bank of India. It spells out the rights of the customer and also the responsibilities of the bank.

3. Scope

Policy is based on domestic experience and global best practices brought out to enhance customers' protection. 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 interactive electronic devices, on internet or by any other method.

It covers five basic rights of customer such as Right to Fair Treatment, Right to Transparency, Fair and Honest Dealing, Right to Suitability, Right to Privacy and right to grievance redressal and compensation.

4. Policy

Customers' Rights:
Customers' Rights are divided in to five basic rights as under.

1. 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 –

1. Promote good and fair banking practices by setting minimum standards in all dealings with the customers;

2. Promote a fair and equitable relationship between the bank and the customer;
3. Train bank staff attending to the customers, adequately and appropriately;
4. Ensure that staff members attend to customers and their business promptly and courteously;
5. 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 bank wherever required;
6. Ensure that the above principle is applied while offering all products and services;
7. Ensure that the products and services offered are in accordance with relevant laws and regulations;
8. Ensure that the products and services offered are in accordance with relevant laws and regulations and in line with the banking scenario, including digital banking;

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

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

2. Right to Transparency, Fair and Honest Dealing:

The Bank will 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 the Bank, will be clearly disclosed. The customer will not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the Bank cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the bank will –

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

ii) Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;

iii) 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;

iv) 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;

v) Make known the key risks associated with the product as well as any features that may especially disadvantage 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. vi) vi) Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through contact centre when contacted by customer.

vii) Display the tariff Schedule on their 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; viii) Give details, of Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer;

ix) Inform the customer of any change in the terms and conditions through Notice Board at branch, Bank's website at least one month prior to the revised terms and conditions becoming effective;

x) Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without xi) giving such notice which is favorable 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;

xii) Provide information about the penalties to be levied in case of non- observance / breach of any of the terms and conditions governing the product / services chosen by the customer;

xiii) Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance

Redressal, Compensation and Collection of Dues and Security Repossession; xiv) 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;

xv) 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 in the bank's website and also in the application of the particular product or service

xvi) Communicate unambiguously the information about –

a. discontinuation of particular products,
b. relocation of their offices
c. changes in working hours
d. change in telephone numbers
e. closure of any office or branch

with advance notice of at least 30 days. Also affirms that disclosure of information is an ongoing 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 known to the customer upfront;

xvii) 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;

xviii) 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;

xix) Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;

xx) 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.;

xxi) Ensure that all marketing and promotional material is clear and not misleading;

xxii) xxii) Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.

xxiii) Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer

xxiv) Shall inform / provide secure, safe and responsible usage guidelines and training materials / FAQs for end users for digital products and services.

xxv) May continuously create public awareness on the types of threats and attacks used against the consumers while using various products, including digital payment products and precautionary measures to safeguard against the same.

3. 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 -

i) Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale;

ii) 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.

iii) Such assessment will be appropriately documented in the bank's records

iv) 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;

v) Not compel a customer to subscribe to any third party products as a quid-pro- quo for any service availed from the bank;

vi) Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;

vii) Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.

4. Right to Privacy

Customers' personal information to be kept confidential unless they have offered specific consent to the Bank 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 to 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 -

i) 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:

   a. The customer has authorized such disclosure explicitly in writing

   b. Disclosure is compelled by law / regulation;

   c. Bank has a duty to the public to disclose i.e. in public interest

   d. Bank has to protect its interests through disclosure

   e. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies

ii) Ensure such likely mandated disclosures be communicated immediately to the customer in writing

iii) Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;

iv) Shall adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

5. Right to Grievance Redress and Compensation

The customer has a right to hold the Bank accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The Bank should also facilitate redress of grievances stemming from its sale of third party products. The Bank must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in

performance, whether caused by the bank or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, bank will –

i) deal sympathetically and expeditiously with all things that go wrong; ii)

correct mistakes promptly; iii) cancel any charge that has been applied

wrongly and by mistake;

iv) Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses.

The bank will also –

i) Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;

ii) Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract;

iii) Ensure to have a responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;

iv) Make grievance redressal mechanism easily accessible to customers;

v) 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;

vi) Display 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;

vii) 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;

viii) Place in public domain information about Banking Ombudsman Scheme;

ix) Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.

Further, the bank will -

i) 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. However, complaints relating

to Point of Sales (POS)/ Card Not Present (CNP) transactions, Master Card/ VISA complaints will be dealt with, within the period prescribed, including pre-arbitration claims, as per the guidelines of Master Card / VISA / Europay / CUP and Ru-Pay.

ii) 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.

iii) 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

iv) 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)

6. Applicability

The policy is effective from 20.01.2026

7. Periodicity of Review of Policy

The policy will be valid up to a period of two years. i.e. 19.01.2028. Any directive/ guidelines issued by RBI in this regard shall automatically be part of this policy, during the currency of this policy. The MD & CEO may allow continuation of the policy for a maximum period of six months from due date of review, in case the policy cannot be reviewed on or before due date.

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