

Bankers Fair Practice Code

1. Introduction
2. Our key commitments to you
3. Information
4. Interest Rates
5. Charges
6. Terms and Conditions
7. Advertising and Marketing
8. Account Operations
9. Cards and PINs
10. Protection
11. What you can do to protect your accounts
12. Loans and Advances
13. Further Assistance
14. Monitoring
15. More Information about the Code

Annexure

1. Introduction

1.1 This is a voluntary Code, which sets standards of fair banking practices for member banks of Indian Banks' Association to follow when they are dealing with individual customers. It provides valuable guidance to you for your day-to-day operations. The Code applies to:

- * Current, savings and all other deposit accounts
- * Pension, PPF accounts etc. operated as agents of RBI / Government
- * Collection and remittance services offered by the banks
- * Loans and overdrafts
- * Foreign-exchange services
- * Card products
- * Third party products offered through our network.

About this Code

1.2 As a voluntary Code, it promotes competition and encourages market forces to achieve higher operating standards for the benefit of customers. In the Code, 'you' denotes the customer and 'we' the bank, the customer deals with. The standards of the Code are covered by the four key commitments found in section 2.

Unless it says otherwise, all parts of this Code apply to all the products and services listed above, whether they are provided by branches across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. Commitments outlined in this Code are applicable under normal operating environment. In the event of force majeure, we may not be able to fulfill the commitments under this Code.

Key words which are shown in bold print in the Code are defined in the Annexure at the end of the Code.

This Code comes into effect from 1st June 2004 unless otherwise indicated.

2. Key Commitments

Our key commitments to you:

We promise to:

- a. Act fairly and reasonably in all our dealings with you by:
 - * meeting the commitments and standards in this Code, for the products and services we offer, and in the procedures and practices our staff follow.
 - * making sure our products and services meet relevant laws and regulations
 - * our dealings with you will rest on ethical principles of integrity and transparency.
- b. Help you to understand how our financial products and services work by:
 - * giving you information about them in plain Hindi and / or English and / or the local language
 - * explaining their financial implications and helping you choose the one that meets your needs.
- c. Deal quickly and sympathetically with things that go wrong by:
 - * correcting mistakes quickly
 - * handling your complaints quickly

- * telling you how to take your complaint forward if you are still not satisfied and
- * reversing any bank charges that we apply due to our mistake.

d. Publicise this Code, put it on our website and have copies available for you on request.

3. Information

Helping you to choose products and services, which meet your needs

- 3.1 Before you become a customer, we will: give you clear information explaining the key features of the services and products you tell us you are interested in
- * give you information on any type of account facility which we offer and may suit your needs
 - * tell you what information we need from you to prove your identity and address and to comply with legal and regulatory requirements, and
 - * request for additional information about you and your family to build a database but such information can be furnished by you only if you wish and we will not compel you to give this information for opening your account.
- 3.2 We will tell you if we offer products and services in more than one way [for example, through ATMs on the internet, over the phone, in branches and so on] and tell you how to find out more about them.
- 3.3 Once you have chosen an account or service, we will tell you how it works.
- 3.4 When you open a single account or a joint account, we will give you information on your rights and responsibilities.
- 3.5 We recommend that you avail nomination facility offered on all deposit accounts, articles in safe custody and safe deposit vaults.
- 3.6 We will guide you how we will deal with deposits and other assets held with us in the name of a deceased person in the absence of nomination.

4. Interest Rates

- 4.1 You can find out about our interest rates by:
- * looking at the notices in our branches
 - * phoning our branches or help-lines
 - * looking on our website; or
 - * asking our designated staff.
- 4.2 When you become a customer, we will give you information on the interest rates which apply to your accounts, and when we will pay interest on your deposits or debit interest on your loan accounts. We will also tell you our website address, our help-line numbers and the other ways in which you can find out about changes in the interest rates.
- 4.3 We will explain how we apply interest to your account.

Changes in interest rates

- 4.4 When we change the interest rates on our products, we will update the information on our telephone help-line and our website within three working days. Interest on savings accounts
- 4.5 At the time of opening of the account, we will inform you of the rate at which interest is paid on your savings deposits [presently, it is regulated by Reserve Bank of India], how it is calculated and its periodicity.

5. Charges

- 5.1 When you become a customer, we will give you upfront details of any charges applicable to the products chosen by you.
- 5.2 You can also find out about our charges by:
- * asking our staff at the branch where you have your account
 - * phoning our help-line or
 - * looking on our website.
- 5.3 If we increase any of these charges or introduce a new charge, it will be notified at least one month before the revised charges are levied / become due.
- 5.4 We will tell you the charge for any other service or product before we provide that service or product, and at any time you ask.
- 5.5 We will give you details of any charges we levy for using ATMs.

6. Terms and Conditions

- 6.1 When you become a customer or accept a product for the first time, we will give you the relevant terms and conditions for the service you have asked us to provide.
- 6.2 All written terms and conditions will be fair and will set out your rights and responsibilities clearly and in plain language. We will only use legal or technical language where necessary.
Changes to Terms and Conditions
- 6.3 When you become a customer, we will tell you how we will let you know / notify about

Changes to terms and conditions.

- 6.4 Normally, changes [other than interest rates] will be made with prospective effect giving notice of at least one month. If the changes are to your disadvantage, you may close the account at any time up to two months from the date of the notice without having to pay any extra charges or interest for doing this.
- 6.5 Changes in the interest rates on our products [deposits and advances] from time to time will be notified as per the bank's policy / practice.

7. Advertising and Marketing

- 7.1 We will make sure that all advertising and promotional material is clear, fair, reasonable and not misleading.

- 7.2 We will seek your specific consent for giving details of your name and address to any third party, including other entities in our group, for marketing purposes.
- 7.3 We would like to provide you with the entire range of financial services products, some of which are our own products while some others are the products of our group / associate / entities or companies with whom we have tie-up arrangements. We will however tell you about our associate / group entities or companies having business tie-up arrangements with us and if you so desire, direct their staff / agents for marketing their products.

8. Account Operations Statements

- 8.1 To help you manage your account and check entries on it, we will give you account statements at regular intervals unless this is not appropriate for the type of account you have [like an account where you have a passbook].
- 8.2 We will normally provide you with a statement periodically as per our policy. You can ask us to provide you with account statements more often than is normally available on your type of account, but there may be a charge for this service.
- 8.3 You will also be able to see your last few transactions on ATM or through your internet account wherever such facilities are available with us.
- 8.4 We will also send you statement of accounts by e-mail, if you so desire, provided we have such facility with us.
Clearing Cycle / Collection Services
- 8.5 We will tell you about the clearing cycle, including when you can withdraw money after lodging collection instruments and when you will start to earn interest.
- 8.6 We will give immediate credit to your account for outstation cheques lodged by you and will allow you to draw against such instrument[s] under collection as per prevailing RBI guidelines. [Presently, instruments upto Rs.15,000/- tendered by customers operating accounts satisfactorily.]
- 8.7 We will pay interest on funds involved if collection is delayed beyond the normal period as stipulated by RBI.

Cash Transactions

- 8.8 You should count notes and ensure correctness before leaving the cash counter.
- 8.9 Avoid writing anything on the face of the notes and co-operate with us by remitting notes in unstapled / unstitched conditions as required under RBI's Clean Note Policy.

Direct debits and standing instructions

- 8.10 We will act upon mandates given by you for direct debits [say ECS] and other standing instructions.

Cheques issued by you

- 8.11 We will keep original cheques paid from your account or copies, for such periods as required by law.

8.12 If, within a reasonable period after the entry has been made on your statement, there is a dispute about a cheque paid from your account, we will give you the cheque or a copy as evidence.

8.13 We will tell you how we will deal with unpaid cheques and out-of-date [stale] cheques.

Accounts operated / services rendered as agents of Government and RBI [applicable only to banks authorized to handle the business]

8.14 While opening PPF / Pension Accounts or investing in Relief / RBI Bonds, we will tell you about operational guidelines for such accounts / transactions.
Foreign exchange services offered through authorized offices

8.15 We will provide you details of the service, exchange rates and charges that apply to foreign exchange transactions, which you are about to make. If this is not possible, we will tell you how these will be worked out.

8.16 If you want to transfer money abroad, we will tell you how to do this and will give you :
*a description of the services and how to use them
*details of when the money you have sent abroad should get there and the reasons for possible delays
*the exchange rate applied when converting to the foreign currency, and
*details of any commission or charges which you will have to pay.

8.17 If money is transferred to your bank account from abroad, we will tell you the original amount received and charges, if any. If the sender has paid all charges, we will not deduct charges when we pay the money into your account.

8.18 We will guide you about regulatory requirements or conditions relating to foreign exchange services offered by us as and when required by you.

Protecting your account

8.19 We will tell you what you can do to help protect your accounts. You can find out more about what you can do to help in section 11 of this Code.

8.20 In the event your cheque book, passbook or ATM / Debit card has been lost or stolen, or that someone else knows your PIN or other security information, we will, on your notifying us, take immediate steps to try to prevent these from being misused.

9. Cards and PINs

9.1 We will only send you a card if you ask for one or to replace a card you already have.

9.2 If you do not recognise a card transaction that appears on your statement, we will provide you with more details. In some cases, we will need you to give us confirmation or evidence that you have not authorised a transaction.

9.3 We will give you your PIN [personal identification number] separately from your card. We will not reveal your PIN to anyone else.

9.4 We will tell you about our systems to allow you to choose or change your PIN. This should make it easier for you to remember the PIN of your choice.

10. Protection Confidentiality

- 10.1 We will treat all your personal information as private and confidential [even when you are no longer a customer]. We will not reveal transaction details of your accounts to a third party, including entities in our group, other than in the following four exceptional cases when we are allowed to do
- * If we have to give the information by law
 - * If there is a duty towards the public to reveal the information
 - * If our interests require us to give the information [for example, to prevent fraud] but we will not use this as a reason for giving information about you or your accounts [including your name and address] to anyone else, including other companies in our group, for marketing purposes
 - * If you ask us to reveal the information, or if we have your permission to provide such information to our group / associate / entities or companies when we have tie-up arrangements for providing other financial service products.
- 10.2 Wherever we have installed CCTV for close surveillance as part of security arrangements, the same will be indicated.

11. What You Can do to Protect your Accounts

This section is all about what you can do to help prevent your accounts being misused.
Communication Link

- 11.1 Please make sure you let us know as soon as possible when you change your:
- * Name
 - * address
 - * phone number or
 - * e-mail address [if this is how we communicate with you].

Checking your account

- 11.2 We recommend that you check your statement or passbook or credit card statement regularly. If there is an entry, which seems to be wrong, you should tell us as soon as possible so that we can sort it out.
- 11.3 If we need to investigate a transaction on your account you should co-operate with us and the police or any other authority, if we need to involve them.
Taking care
- 11.4 Taking care of your cheques, passbook, cards, PINs and other security information is essential to help prevent fraud and protect your accounts. Please make sure that you follow the advice given below:
- * Do not keep your cheque book and cards together
 - * Do not keep the blank cheque leaves signed
 - * Do not allow anyone else to use your card, PIN, password or other security information
 - * If you change your PIN you should choose your new PIN carefully
 - * Always learn your PIN, password and other security information, and destroy the notice as soon as you receive it
 - * Never write down or record your PIN, password or other security information
 - * Always take reasonable steps to keep your card safe in your personal custody and your PIN, password and other security information secret at all times
 - * Keep your card receipts safe and dispose them of carefully

- * Never give your account details password or other security information to anyone unless you know who they are and why they need them

11.5 If you send a cheque through the post, it will help to prevent fraud if you clearly write the name of the person you are paying the cheque to. Write such cheques with carbon on the reverse to avoid chemical alterations.

- * if you are paying a cheque into a bank account, always write on the cheque the name of the account holder [ABC Bank Account - XYZ]. You should draw a line through unused space on the cheque so unauthorized person cannot add extra numbers or names.

Precautions while using internet banking facilities

- 11.6 Visit our internet banking site directly. Avoid accessing the site through a link from another site and verify the domain name displayed to avoid spoof websites.
- 11.7 Ignore any e-mail asking for your password or PIN.
- 11.8 We advise you not to use cyber caf  s to access our internet banking site.
- 11.9 We advise you to update your PC with latest anti-virus software regularly. A suitable firewall installed in a computer to protect your PC and its contents from outsiders on the internet would be an added security measure.

What to do if you lose your chequebook, passbook, or card, or if someone else knows your PIN

11.10 It is essential that you tell us as soon as you can if you suspect or discover that:

- * your cheque book, passbook, card has been lost or stolen or
- * someone else knows your PIN, password or other security information.

11.11 The best way of telling us about the loss will usually be by phone, using the numbers we have given you, or by e-mail to the address we have given you for this purpose. Alternatively, you may send a written communication to us immediately.

Canceling payments

11.12 If you want to cancel a payment or series of payments you have authorised, you should do the following:

- * To stop payment of a cheque or cancel standing instruction given, you must tell us in writing
- * To cancel a direct debit, you can either tell the originator of the direct debit or tell us. We recommend you do both.
It may not be possible to cancel payments if you do not give enough notice of your decision to cancel.

Liability for Losses

11.13 If you act fraudulently, you will be responsible for all losses on your account. If you act without reasonable care, and this causes losses, you may be responsible for them. [This may apply if you do not follow section 11.4.]

11.14 Unless you have acted fraudulently or without reasonable care, your liability for the misuse of your card will be limited as indicated by us while issuing the card.

12. Loans and Advances

- 12.1 Before we lend you any money or increase your overdraft, credit card limit or other borrowing, we will assess whether we feel you will be able to repay it.
- 12.2 If we offer you an overdraft, or an increase in your existing overdraft limit, we will tell you if your overdraft is repayable on demand or otherwise.
- 12.3 Wherever possible, reasons for rejection of loans will be conveyed to you.

13. Further Assistance

Complaints / Grievances and Feedback / Suggestions

Internal procedures

- 13.1 If you want to make a complaint, we will tell you how to do this and what to do if you are not happy about the outcome. Our staff will help you with any questions you have.
- 13.2 Within two weeks of receiving your complaint, we will send you a written acknowledgement.
- 13.3 After examining the matter, we will send you our final or other response within eight weeks and will tell you how to take your complaint further if you are still not satisfied.

Banking Ombudsman Service and other avenues for redressal

- 13.4 Within 60 days of lodging a complaint with us, if you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Banking Ombudsman appointed by Reserve Bank of India under Banking Ombudsman Scheme 2002. Details of Banking Ombudsman are displayed in the branch notice boards. Our staff would explain the procedure in this regard.

Feedback and Suggestions

- 13.5 Please provide feedback on our services. Your suggestions will help us to improve our services.

14. Monitoring

- 14.1 We have a 'Nodal Officer' to ensure compliance of the Code. Our internal auditing procedures make sure we meet the Code.
Standing Committee to Monitor the Code
- 14.2 A Standing Committee consisting of a panel of three reputed persons with banking background will monitor "Bankers' Fair Practice Code". The Standing Committee will operate from the office of Indian Banks' Association

15. More Information About the Code

- 15.1 If you have any enquiries about this Code, you may contact the
Indian Banks' Association
Stadium House, Block II & III
Veer Nariman Road, Mumbai 400 020
Tel. No. 022-22844999 Fax: 022-22835638
Email: ibastadium@vsnl.net Website: www.iba.org.in

- 15.2 We will have notices in all our branches and on websites explaining that copies of the Code are available and how you can get one and we will make copy available to you on request.
- 15.3 You can get a copy of this Code from the website of Indian Banks' Association [www.iba.org.in]

Annexure

These definitions explain the meaning of words and terms used in the Code. They are not precise legal or technical definitions.

ATM

An automated teller machine [ATM] or freestanding machine, which a customer can use their card in to get cash, information and other services.

Card

A general term for any plastic card which a customer may use to pay for goods and services or to withdraw cash. In this Code, it includes debit, credit, or ATM cards.

Customer

A person who has an account [including a joint account with another person or an account held as an executor or trustee, but not including the accounts of sole traders, partnerships, companies, clubs and societies] or who receives other services from a financial institution.

Originator

A company [either a retail or service organization] which collects payments from a customer's account in line with the customer's instructions.

Other security information

A selection of personal facts and information [in an order which only the customer knows], which is used for identification when using accounts.

Out-of-date [stale] cheque

A cheque, which has not been paid because the date written on the cheque is too old [normally older than six months].

Password

A word or an access Code which the customer has chosen, to allow them to use a phone or internet banking service. It is also used for identification.

PIN [personal identification number]

A confidential number, which allows customers to buy things, withdraw cash and use other electronic services offered by the bank.

Security

A word used to describe valuable items such as title deeds to houses, share certificates, life policies and so on, which represent assets used as support for a loan or other liability.

Unpaid Cheque

This is a cheque which, after being paid into the account of the person it is written out to, is returned 'unpaid' [bounced] by the financial institution whose customer issued the cheque.