

**MAS FINANCIAL SERVICES LIMITED**

**FAIR PRACTICE CODE**



*The Power of Distribution*

Reviewed at the Board Meeting held on 3<sup>rd</sup> June, 2020

**ALL PARTS OF THIS CODE APPLY TO ALL THE PRODUCTS AND SERVICES OVER THE PHONE, BY POST, THROUGH INTERACTIVE ELECTRONIC DEVICES, ON THE INTERNET OR BY ANY OTHER METHOD**

**COMMITMENTS TO CUSTOMERS**

1. To act fairly and reasonably in all dealings with customers, by ensuring that:
  - We meet the commitments and standards in this Code for the products and services we offer and in the procedures and practices our staff follows.
  - Our products and services meet relevant laws and regulations in letter and spirit.
  - Our dealings with customers rest on ethical principles of integrity and transparency.
2. To help customers understand how our financial products and services work, by:
  - Giving Customers information about their products and services in any one or more of the following language:
    - i. Hindi
    - ii. English or
    - iii. Appropriate local language
  - Ensuring that our advertising and promotional literature is clear and not misleading.
  - Ensuring that customers are given clear information about our products and services, the terms and conditions and the interest rates/ services charges, which apply to them.
  - Giving customers information on what are the benefits to them, how they can avail of the benefits, what are their financial implications, and whom they can contact for addressing their queries and how.
3. To help customers to use the products and services by:
  - Providing them regular, appropriate update.
  - Keeping them informed about changes in the interest rates, charges or terms and conditions.
4. To deal quickly and systematically with things that go wrong, by:
  - Correcting mistakes promptly and canceling any charges applied due to the Company's mistake.
  - Handling customer's complaints promptly.
  - Telling customers how to make their complaint forward if they are still not satisfied.
  - Providing suitable alternative avenues to alleviate problems arising out of technological failures.
5. To publicise the code, Company Shall:
  - Make this code available on request either over the counter or by electronic communication or mail;
  - Ensure that their staff are trained to provide relevant information about the code and to put the code into practice.
6. To adopt and practice a non – discrimination policy  
Company shall not discriminate on the basis of age, race, caste, gender, marital status, religion or disability.

## **DISCLOSURE AND TRANSPARENCY**

1. Company should provide information on interest rates, common fees and charges through any one of the following:
  - Putting up notices in their branches;
  - Through telephone or help – lines;
  - Through designated staff/ help desk
2. In respect of prospective customers Company shall:
  - Provide clear information explaining the key features of their services and products that customers are interested in;
  - Provide information on any type of product and service offered, that may suit the customer's needs;
  - Tell the customers what information is needed from him/ her to prove his/ her identity and address, for complying with legal, regulatory and internal policy requirements.
3. To those who have become customers, Company shall:
  - Provide more information on the key features of the products, including applicable interest rates/ fees and charges.
4. Interest Rates  
Company shall give information to the customers on:
  - The interest rates which apply to his/ her account, both deposit and loan.
  - When interest is paid on his/ her deposits, or charged on his/ her loan accounts.
  - How interest is applied to his/ her account and method of calculation of interest.
5. Changes in Interest Rates  
Company shall inform customers when it changes interest rates on its products.
6. Fees & Charges
  - Company shall display in its branches list of services which are rendered free of charge.
  - Company shall give its customer all details in its tariff schedule of any charges applicable to the products and services chosen by him/ her.
  - Company should provide its customers information about the penalties liable to be levied in case of non-observance/ violation of any of the terms and conditions governing the product/ services chosen by them.
7. Changes in Fees & Charges
  - If Company increases any of its charges or introduce a new charge, it will be notified one month prior to the revised charges being levied/ becoming effective.
8. Terms and Conditions:
  - Customer availing a product/ service for the first time, should be advised the relevant terms & conditions for the service he/ she has asked Company to provide.
  - All terms and conditions shall be fair and will set out respective rights, liabilities & obligations clearly and as far as possible in plain and simple language.

## 9. Changes to Terms and Conditions

- Customers should be told of changes to terms and conditions through any of the following channels:
  - i. Personal Intimation
  - ii. Notice Board at each branch
  - iii. Internet including email and website
  - iv. Newspaper
- Normally, Changes should be made with prospective effect giving due notice.
- If any changes are made without notice, the change shall be notified within 30 days. If such change is to the disadvantage of the customer, he/ she may within 60 days and without notice close his/ her account or switch it without having to pay any extra charges or interest.
- Major change or a lot of minor changes in any one year, shall be informed to the customer on request and provide a copy of the new term and conditions or a summary of the changes.

## **ADVERTISING, MARKETING AND SALES**

### 1. Company shall:

- Ensure that all advertising and promotional material is clear and not misleading;
- In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, Company shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- If Company avail of the services of third parties for providing support services, Company shall require that such third parties handle customer's personal information with the same degree of confidentiality and security as the Company would.
- In the event of receipt of any complaint from the customers that Company's representative/ courier or DAS has engaged in any improper conduct or acted in violation of this code, appropriate steps shall be initiated to investigate and to handle the complaint and to make good the loss.

## **PRIVACY AND CONFIDENTIALITY**

1. All personal information of customers shall be treated as private and confidential and shall be guided by the following principles and policies. Company shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies other than in the following exceptional cases:
  - If the information is to be given by law.
  - If there is a duty towards the public to reveal the information
  - If the company's interest require it to give the information but it should not be used as a reason for giving information about customer or customer accounts to anyone else, including other companies in the group, for marketing purposes.
  - If the customer asks the Company to reveal the information, or with the customer's permission.
  - If company is asked to give a reference about customers, they shall obtain his/ her written permission before giving it.
  - The customer shall be informed the extent of his/ her rights under the existing legal framework for accessing the personal records that Company holds about him/ her.
  - Company shall not use customer's personal information for marketing purposes any anyone including other HFCs unless the customer specifically authorizes them to do so.

## 2. Credit Reference Agencies

- When a customer opens an account, Company shall inform him/ her when Company may pass his/ her account details to credit reference agencies and the checks Company may make with them.
- Company may give information to credit reference agencies about the personal debts the customer owes to it if;
  - i. The customer has fallen behind with his/ her payments;
  - ii. The amount owed is not in dispute;
  - iii. The customer has not made proposals that the Company is satisfied with, for repaying his/ her debt, following Company's demand.
- Company may give credit reference agencies other information about the customer's account if the customer has given them his/ her permission to do so.
- A copy of the information given to the credit reference agencies shall be provided by the Company to a customer, if so demanded.

## COLLECTION OF DUES

1. Whenever loans are given, Company should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/ her notice or by making personal visits and/ or repossession of security if any.
2. The Company's collection policy should be built on courtesy, fair treatment and persuasion. Company should believe in fostering customer confidence and long term relationship. Company's staff or any person authorized to represent them in collection of dues or/ and security repossession shall identify himself/ herself and display the authority letter issued by the Company upon request, display his/ her identity card issued by the Company or under authority of the Company. Company shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.
3. All the members of the staff or any person authorized to represent the Company in collection or / and security repossession should follow the guidelines set out below:
  - Customer would be contacted ordinarily at the place of his/ her choice and in the absence of any specified place at the place of his/ her residence and if unavailable at his/ her residence, at the place of business/ occupation.
  - Identity and authority to represent the company should be made known to the customer at the first instance.
  - Customer's privacy should be respected.
  - Interaction with the customer shall be in a civil manner.
  - Company's representatives shall contact the customers between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require.
  - Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
  - Time and number of calls and contents of conversation would be documented.
  - All assistance should be given to resolve disputes or differences regarding dues in mutually acceptable and in an orderly manner.
  - During visits to customer's place for dues collection, decency and decorum should be maintained.

- Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/ visits to collect dues.

## **COMPLAINTS AND GRIEVANCES**

### **1. Internal Procedures**

- If the customer wants to make a complaint. He/ she should be told:
  - i. How a complaint should be made
  - ii. Where a complaint can be made
  - iii. When to expect a reply
  - iv. Whom to approach for reply
  - v. What to do if the customer is not happy about the outcome
  - vi. Company's staff shall help the customer with any questions the customer has.
- Customer should be told where to find details of Company's procedure for handling complaints fairly and quickly.
- If a complaint has been received in writing form a customer, Company shall endeavor to send him/her an acknowledgement/ response within a week. If a complaint is relayed over phone at Company's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- After examining the matter, Company shall send the customer its final response or explain why it needs more time to respond and shall endeavor to do so within six weeks of receipt of a complaint and he/ she should be informed how to take his/ her complaint further if he/she is still not satisfied.

## **KNOW YOUR CUSTOMER (KYC) GUIDELINES**

1. Company shall carry out due diligence as required under "Know Your Customer" guidelines of the Company before account opening and operation
  - Ask the customer to submit or provide necessary documents or proofs to do so;
  - Obtain only such information to meet with Company's KYC, Anti Money Laundering or any other statutory requirements. In case any additional information is asked for, it will be sought separately and we will specify the objective of obtaining such additional information. Providing such information will be voluntary;
  - Provide the account opening forms and other material to the customer. The same shall contain details of essential information required to be furnished and documents to be produced for verification and/ or for record for meeting the KYC requirements;

## **LOANS**

1. Before Company lends any money, it should assess whether the customer will be able to repay it. If Company cannot provide the loan to the customer, it shall communicate the reason(s) for rejection. If the customer wants the Company to accept a guarantee or other security from someone for his liabilities, the Company may ask the customer for his permission to give confidential information about his finances to the person giving the guarantee or other security, or to their legal adviser. Company may also:

- Encourage the customers to take independent legal advice to make sure that they understand their commitment and the possible consequences of their decision
- Tell the customers that by giving the guarantee or other security they may become liable instead of, or as well as, him; and
- Tell them what their liability would be.

## 2. Applications for loans and their processing

- At the time of sourcing a loan product, Company shall provide information about the, interest rates applicable, as also the fees/ charges, if any, payable for processing, pre- payment options and charges if any and any other matter which affects the interest of the borrower, so that a meaningful comparison with those of other Companies can be made and informed decision can be taken by customer.
- The Company should devise a system of giving acknowledgement for receipt of all loan applications, preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.
- Normally all particulars required for processing the loan application shall be collected by the Company at the time of application. In case it needs any additional information, the customer should be told that he would be contacted immediately again.
- Company shall convey to the customer the loan sanction along with the terms and conditions thereof.
- Company shall supply authenticated copies of all the loan documents executed by the customer at Company's cost along with a copy of all enclosures quoted in the loan document on request.
- Company shall not discriminate on the ground of sex, caste and religion in the matter of lending. However, this does not preclude Company from instituting or participating in schemes framed for different sections of the society.
- Company should release all securities immediately on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim Company may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which Company is entitled to retain the securities till the relevant claim is settled / paid.

## 3. Guarantors

When a person is considering to be a guarantor to a loan, he/ she should be informed about

- His / her liability as guarantor;
- The amount of liability he/ she will be committing him/ herself to the Company;
- Circumstances in which Company will call on him/ her to pay up his/ her liability;
- Whether Company has recourse to his/ her other monies in the Company if he/ she fail to pay up as a guarantor;
- Whether his/ her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- Time and circumstances in which his/ her liabilities as guarantor will be discharged as also the manner in which Company will notify him/ her about this
- Company shall keep him/ her informed of any material adverse change/s in the financial position of the borrower to whom he/ she stands as a guarantor.

## GENERAL

Company shall give the customer information:

- Explaining the key features of its loan products including applicable fees and charges while communicating the sanction of the loan.
- Advise the customer what information/ documentation it need from him/ her to enable him/ her to apply. The customer should also be advised regarding what documentation is need from him/ her with respect to his/ her identity, address, employment, etc. and any other document that may be stipulated by statutory authorities in order to comply with legal and regulatory requirements.
- Verify the details mentioned by him/ her in the loan application by contacting him/ her at his/ her residence and/ or on business telephone numbers and/ or physically visiting his/ her residence and/ or business addresses through agencies appointed for this purpose, if deemed necessary by the Company.
- The customer should be informed to co- operate if the Company needs to investigate a transaction on the customer's account and with the police/ other investigative agencies, if the Company needs to involve them.
- The Company should advise the customer that if the customer acts fraudulently, he / she will be responsible for all losses on his/ her account and that if the customer acts without reasonable care and this causes losses, the customer may be responsible for the same.
- The Company should acknowledge the receipt of the Loan Application. Such acknowledgement should include the time frame within which the Loan Application would be disposed of.
- The Company should convey in writing to the Borrower either by means of sanction letter or otherwise:
  - (a) Amount of Loan Sanctioned
  - (b) Terms & Conditions (including Annualized Rate)
  - (c) Method of application thereof

And keep the acceptance of these terms and conditions by the borrowers, on records.

- Further Company must have Grievance Redressal Mechanism. Under this mechanism, the Customers can send their queries/ disputes/ requests to the branch offices of the Company. The Branch officers would then communicate those queries/ disputes/ requests to the respective department. These queries would then be resolved by the CRM department. In case, if the query requires to be further scaled up, then it would be taken in the hierarchy to the Customer Relationship Manager (CRM), CRM head and finally to Chief Operating Officer (COO).
- If the queries are not resolved, at any level, then the same could be referred to the Manger Operations at:

**The Sr. Manager CRM**

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