



OUR COMPLAINTS HANDLING POLICY & PROCEDURES

Approval By the Board of Directors 29.07.2022

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1. Definitions

Complaint	An expression of dissatisfaction made to Lanka Credit and Business Finance Limited, related to financial services provided or any other activity of the company where a response or resolution is explicitly or implicitly expected by the complainant.
Complainant	A person, organization or their representative who makes a complaint either direct to our business units or a complaint made to the Central Bank of Sri Lanka or to the Financial Ombudsmen referred to us to respond.
Complaint Manager At branch / Department level	Head of Department / Branch Manager if they cannot handle the complaint same should refer to Chief Complaint Manager officer who is the Head of Compliance
Chief Complaint Manager Head Office	The Head of Compliance at Head office who should notify CEO/ Executive Director of all complaints and resolve the complaint. Depending on the nature of the complaint CEO/ Executive Director may notify the Board of Directors.

2. Policy

- a) Lanka Credit and Business Finance (herein after referred to as the Company) is committed to promoting customer satisfaction by encouraging feedback from customers, including complaints.
- b) The company is committed to resolving complaints received, and recognizes the rights of complainants to have their complaint dealt with fairly, effectively and efficiently. The Company's complaints handling procedures herein, recognize the need to be equitable, objective and unbiased to both the complainant and the organization or personnel against whom the complaint is made.
- c) The Company ensures that all persons who may be the first point of receipt of complaints irrespective of their status in the company, are made aware of the' complaints-handling procedures, and of their roles, responsibilities and authority in respect of complaints.

3. Application of Policy and Procedures

The Company will apply this policy and related procedures when dealing with all complaints made by customers or General Public or organization regarding either a product or, advice or services provided by the company. This includes any advice or opinions contained in Banners, Brochures and other promotional material used by company. The policy and procedures may also be applied in relation to complaints made by service providers of the company.

4. Objectives

The Company's complaints handling procedures herein have been developed to:

- a) Provide effective, efficient, equitable and accessible complaints handling procedures.
- b) Provide the company with a clear framework for handling complaints in accordance with its statutory and regulatory obligations.

- c) Recognize, enhance and protect the interests of the company's customers, as well as managing their needs and expectations.
- d) Identify, through analysis, evaluation and review of complaints, opportunities to improve on the quality of the company's' products and services, as well as the complaints-handling process.
- e) Increase the level of customer satisfaction with the delivery of products and services to meet their expectations and enhance the company's' relationship with the customers.
- f) Provide information to customer's complaints handling procedures

5. PORCEDURES

- a) The Branch Manager / Head of Department shall be the officers assigned to accept complaints received at Branch level and at Department. Level respectively.
- b) A customer or a member of the public who has a complaint and wishes to bring it to the attention of the Management of the company Officials referred to under 1 above should accept the complaint and record such complaint in the "Complaint Received Register" allocating one page for each complaint.
- c) Customer or any member of the public could record his complaint on the complaint book placed on the Branch counter or drop his complaint into the complaint box at the branch. Heads of Department/ Branch Managers should examine daily the above and any complaint found should be treated as stated in 2 above.
- d) All complaints should be referred to the Head of Compliance for a decision
- e) If the complaint relates to any forgery or any act of gave misconduct as per the disciplinary procedure's manual and / or violation the staff code of conduct such complaints should dealt with as per the requirements in the Disciplinary Procedures manual with the concurrence of the CEO/ Executive Director
- f) Information on the availability of complaints-handling procedures and contact details for complaints should be outlined to customers and general public on the company's website. The contact details of Financial Ombudsman should be displayed in the website and at the business places.

6. Complaints received by the company

Written Complaints

An employee who receives a written complaint must refer it to the Head of Department or Branch Manager, together with any other relevant information relating to the complaint, as soon as possible for disposal as per procedure indicated above.

Verbal Complaints

Where a verbal conversation with a client leads to the client wishing to make a complaint, the official dealing with the client should make available to the component an opportunity to make same in writing. and explain to the client that his/her complaint will be investigated and a response provided in writing.

All complaints should be recorded in the Complaint Received Registration in Summary Form (see Appendix 1 for specimen complaint register)

7. Confidentiality

- a) Personal information relating to the complaint should be handled in a manner that is treated as confidential. This refers to maintaining confidentiality of personal information of the complainant. and where applicable the details of the person against whom the complaint is made,
- b) All complaints received by the Branch Manager / Head of Department or Head of Compliance are to be recorded in their respective Complaint Received Registers. This register should be kept under the control of the Branch Manager,

8. Initial acknowledgement

Receipt of a complaint must be acknowledged as soon as possible by the recipient and, in any event, within 2 business days of it being received by the company. Use the format set out in Appendix 2 as a guide. If a complaint is already resolved by this time, an acknowledgement is not required. Advising the complainant of a decision in writing within this time frame is deemed to be acknowledgement.

9. Timing of complaint resolution

- a) The Branch Manager should ensure that a final response of the Head of Compliance is transmitted to the complainant as soon as possible and, in any event, within 45 days of it being received.
- b) A final response requires the complainant to be advised of the outcome of their complaint (including reasons even if the decision were not in the favour of the complaint).
- c) The Branch Manager must record the decision with the reasons for the decision on the Complaint Received Registration in summary form and file supporting documents for future reference by the CBL officials

10. Resolving a complaint

- a) The Branch Manager or the Head of a Department to the Head of Compliance all complaints for a decision.
- b) When resolving a complaint, referred to the Head of Compliance he must make every reasonable effort to investigate all relevant circumstances and information surrounding the complaint.
- c) The Head of Compliance may summon any staff member in order to collect information, documents required to resolve a complaint and such request should receive the immediate attention of the staff member concerned. be promptly responded.
- d) When a final response to a complaint is arrived at, the Head of Compliance must arrange to advise the complainant through the Branch Manager the decision as soon as practicable after deciding the outcome.
- e) In practice the final response must be sent to the complainant within **45** days from the date the complaint was received.

- f) A final response requires the complainant to be advised of the outcome of their complaint (including reasons for the decision where not in their favour).
- g) The response to the complaint must be dispatched to the Branch manager for onward transmission to the complainant under Registered Post
- h) The Head of Department / Branch Manager should record the decision and the reasons for the decision on the Complaint Received Registration
- i) If a Customer's complaint is forwards by regulatory authorities (CBSL) should be directed to the Head of Compliance to resolve and advise the complainant as directed by CBSL under advice to them
- j) If Customer's complaint is forwards by the financial Ombudsmen, it should be directed to the Head of Compliance to respond to his requirements accordingly, which may involve attending an inquiry conducted by him or provide our response in writing as the case may be.
- k) If the complaint relates to fraudulent act of an employee, matter should be referred to the internal audit department for investigation and disciplinary action, which should be initiated as per provisions in the Disciplinary Procedures Manual of the company

11. All Charges

Complaints are handled free of charge to the complainant, subject to any statutory and regulatory requirements.

12. Legal Assistance

The Head of Compliance may seek legal assistance depending on the nature of the complaint as appropriate to resolve the complaint.

13. Financial Ombudsmen

- a) Head of Compliance is authorized to attend any conference of inquiry arranged by Financial ombudsmen and shall be the Legal representative to make representations on behalf of the company and shall settle a matter with the due approval of the CEO/ Executive Director.
- b) After attending the conference, Head of Compliance may refer the matter to CEO/ Executive Director consideration or for settlement if deemed necessary depending on the nature of the complaint. CEO Executive Director may direct the Head of Compliance to seek legal opinion on the subject matter if deemed necessary and act accordingly
- c) The Head of Compliance on receipt of a decision from the Financial Ombudsmen shall report same to CEO/ Executive Director and should notify acceptance only if it is acceptable to CEO/ Executive Director.
- d) If the decision of the Financial Ombudsmen involves compensating the complainant by way of a cash payment such settlement may be approved by the CEO. / Executive

Director having obtained necessary legal opinion on the case in point and reports to the Board of Directors at the earliest Board meeting. When making such payment if such payment is subject to an insured risk such amount should be claimed from the Insurer or from such other party responsible for the loss suffered by the company due to compliance with the order of the Financial Ombudsmen

14. Litigation

- a) Senior Manager Legal shall arrange to defend the company in all legal proceedings affecting the company connected to complaints.
- b) Senior Manager Legal should ensure that the litigation is conducted in accordance with legitimate requirements of the company.
- c) The Senior Manager Legal is responsible for the conduct of the legal proceedings and will liaise with any other parties to the litigation in the company as appropriate.

15. The Complaints Register

- a) The Branch Managers/ Heads of Departments and Head of Compliance should maintain a Complaints Received Register. Copies of all correspondence between the company and the complainant, and of correspondence between the company with the regulatory authority or financial ombudsmen should held for future reference as stated under section 33 below.
- b) The records of a complaint should be held for a minimum period of 7 years after the date of last correspondence on the complaint in safe custody

16. Analysis and reporting

- a) Analysis and evaluation of data gathered in the complaints process will help the company to determine the causes of complaints (e.g. any systemic and recurring problems) and whether remedial action is necessary to the operational systems and procedures of the company.
- b) The analysis should highlight any areas of concern and matters of a repetitive nature. This analysis will serve as a monitoring tool which enables management to monitor the effectiveness of company's complaints-handling procedures and identify trends (if any), which would indicate that improvements are required.

17. FINANCIAL CUSTOMER RELATIONS DEPARTMENT (FCRD)

(EFFECTIVE COMPLAINT HANDLING PROCESS OF FINANCIAL SERVICE PROVIDERS (FSPS))

1. Central bank of Sri Lanka has established a Financial Customer Relations Department (FCRD) of the Central Bank of Sri Lanka (CBSL) to handle complaints received by them.
2. Accordingly, Heads of Departments and Branch Managers should attend to all customer complaints including those complaints referred by CBSL in a prompt and fair manner.

3. FCRD has streamlined the complaint handling process with respect to complaint received by them on finance companies as follow;
 - a) FCRD assigns a specific Complaint Reference Number (CRN), upon receipt of a complaint and an acknowledgment is sent to the primary complainant by FCRD with the respective CRN according to the preferred mode of correspondence.
 - b) FCRD internally assesses the complaint based on the information provided to determine whether to proceed with it or not.
 - c) When a complaint is determined to proceed with such complaint is forwarded to us for he consideration
 - d) We are required to provide a suitable response to the complainant in writing, directly, within the stipulated time and inform FCRD of the action(s) taken to resolve the complaint.
 - e) The action(s) taken by us will be followed up and reviewed by FCRD to ensure that all complaints are promptly and fairly resolved. The primary complainant may submit the latest position of the complaint for further consideration of FCRD, if she/he is not satisfied and desirous for FCRD to revisit the matter the review process, FCRD may require us to provide additional information verbal or written or may conduct an inquiry on the subject matter.
 - f) Thereafter, FCRD would direct the latest position of complaint along with the reviewed response with suitable comment(s) to us for re-consideration to resolve the matter in concern within the stipulated time.
 - g) If the action s of our com an is noncompliant with the le al or regulatory requirements about the complaint relevant competent authority is informed to initiate necessary enforcement actions.
4. The FCRD has observed several concerns that have been impacted to the effectiveness of the compliant handling process by finance companies. Hence, they have drawn our attention to the undermentioned areas of concerns and suggestions for the improvement to strengthen the Customer Protection Frame work of the company.
5. The following is an extract from the circular letter dated 18.01.2022 of the Director, Financial Customer Relations Department of CBSL on the subject and all staff members are required to adopt the suggestions given below for the improvement of Complaints handling process at the Departments and Branches of our company.

	Concern	Comments and Suggestions for improvement
1	Increased number of complaints received to FCRD	Several complaints could be resolved internally by FSPs, but customers forward to FCRD due to the less attention of FSPs. Accordingly, FCRD emphasizes the importance of resolving the complaints at the initial level by the FSPs through discussions with customers.
2	Not attending the information requests of customers and not providing sufficient information in the language preferred by the customer	Large number of complaints are received by FCRD due to not providing information and documents regarding their products to the customers by FSPs. Accordingly, FCRD reiterates the requirement of FSPs to provide the requested information and documents in the preferred language signed by an authorized officer to the customer at earliest.
3	Unavailability of central point of contact to handle the complaints forwarded by FCRD (Refer paragraph 6 Below)	FCRD needs to coordinate with a designated officer of the FSPs to obtain information regarding the complaints forwarded. Accordingly, FSPs are required to appoint an authorized officer to handle the complaints forwarded by FCRD and to communicate with the officials of FCRD. Such authorized officer should maintain proper updated records of the complaints forwarded by FCRD and
		forward to the relevant officers of FSPs to get the responses. Authorized officer should follow up the process of getting the responses and forward the replies to FCRD within the given time. FSPs should prepare a status report on the complaint submitted by FCRD at the end of each month and share with CBSL. Chief Executive Officer of FSPs should inform FCRD, the name, designation, contact number of the authorized officer for complaint handling and the email IDs of officers to whom the complaints should be forwarded by FCRD.

4	Delay in sending responses to FCRD	<p>FCRD has noticed that FSPs do not attend to the complaints and send the responses to FCRD within the given time.</p> <p>Therefore, FSPs are required to send the responses within 7 working days and if FSPs needs more time, FSPs should inform the expected timeline to respond to FCRD via email.</p>
5	Sending Interim responses	<p>Several FSPs send interim responses informing that the complaint had been referred to internal departments/ divisions of FSPs for necessary actions.</p> <p>For such instances, authorized officer of complaint handling should follow up and resolve the matter and send the final response to FCRD.</p>
6	Request FCRD to provide more information on customers	<p>FCRD has noticed instances where information is insufficient on the complaints, FSPs request FCRD not the customer to provide more information.</p> <p>Hence, FORD requires all FSPs to contact the customer and request the required information on the complaint.</p>
7	Issues in the responses sent by FSPs	<p>FCRD has noticed that FSPs sometimes send insufficient clarification and not clear and detailed reply for the matters raised through the complaints. Hence, FCRD requires FSPs to first contact the customer when the complaint is forwarded to FSPs and inform the customer about the receipt of the complaint and discuss with the customer for a solution.</p> <p>Then FSPs should provide sufficient clarification including calculation details if needed and accurate</p>
7	Continued	<p>information on the actions taken by FSPs to resolve the matter to FCRD.</p> <p>FSPs responses should be in line with the FCRD action mentioned in the email of FCRD and any deviation should be justifiable with sufficient clarification.</p>

8	Not informing the customer on the actions taken by FSPs to resolve the matter and the position of the FSPs regarding the matter	<p>FSPs sometimes send the response only to FCRD on the position and the actions taken on the complaints. FCRD requires FSPs to always send the response in writing to the customer on their position and the solution provided to resolve the matter except for the cases for which FCRD requests to directly reply to FCRD.</p> <p>FSPs should copy the replies sent to the customer to FCRD When the matters are resolved over the phone, it should be communicated to FCRD in writing. FSPs should always ensure to send the reply to the customer in the language of the complaint.</p>
9	Not mentioning the CRN in the reply sent to FCRD	<p>Sometimes FSPs do not mention the CRN in the reply forwarded to FCRD, causing difficulties in tracing the complaint.</p> <p>Therefore, FSPs should always mention the CRN in all correspondences sent to FCRD.</p>
10	Not sending the replies via email	<p>FCRD forwards the complaints to FSPs via email until further notice.</p> <p>Accordingly, FSPs should always send the replies via email <u>preferably replying in the same email thread.</u></p>

18. Central Point for Overall Handling of complaints will be under the Supervision of the Deputy General Manager (Administration and Operations) at Head office, and will be subject to the above procedure and such other instruction he may issue in the future, (Refer Section 3 in the above table)

- a) All complaints should be acknowledged and recorded in the complaints register
- b)) Submit the complaint with a report on the matter subject to the complaint and the draft of the reply to the complainant for the consideration of DGM (A&O) for instructions

CEO / Executive Director
Date 20.07.2022

Appendix 1 - Complaint Received Register
(Use separate page for each complaint)

Receipt Details

Complaint reference	
Complaint registered by	
Date/time complaint received	
How complaint received letter, email, fax, phone verbal complaint box	

Complainant details

Complainant name	
Account/customer reference	
Name of account if different	
Is person making the complaint the customer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If no, describe status (Through Financial Ombudsmen / CBSL relation of customer/ Prospective customer/ Employee / Agent of customer etc.,)	
Contact number(s)	
Contact address	

Complaint Details

Date of event date when complaint took place	
Category of complaint	
Documents sent by complainant – attach.	
Desired outcome	

Process Details

Date on which complaint acknowledged (best practice - within 2 working days of receipt of written complaints)	
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<p>Date customer contacted (best practice - within 5 working days from date of receipt of complaint. If all necessary information has been received, the above acknowledgement is sufficient contact)</p>	
<p>Deadline for final response to customer (best practice - final response or notification of deadlock no later than 45 days from date of receipt of complaint)</p>	
<p>Outline of response proposed resolution to customer (attach copy of written response to complaint)</p>	
<p>Authorized by</p>	
<p>Date proposed</p>	

Resolution Details

<p>Customer accepted proposed resolution?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>If Yes - Indicate how and when accepted and detail action taken and or any further action to be taken (including agreed timeframes)</p>	
<p>If No - Indicate any further proposal and outcome</p>	
<p>If Deadlocked – Explain.</p>	

Notes

Appendix 2 - Acknowledgment of Complaint

Use letter head

To.

Dear Sir.

Your complaint has been received.

Thank you for contacting us on

Your complaint reference number is and

We will be in contact with you if we need more details.

We consider all complaints formally, and will use our best endeavors to solve the issues subject to your complaint and notify you accordingly.

Kind Regards
Yours faithfully
Lanka Credit and Business Finance Ltd.

Signature
Designation
(name....)

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Appendix 3 –

Response to Complaint

Us4e Letter Head

Date

Dear Sir,

Decision Notice – <COMPLAINT NUMBER>

You contacted us onand made a formal complaint.

An internal investigation into the issues raised has now been completed.

Please find attached a document with our findings regarding the event(s), together with a response/resolution.

We hope that this concludes matters to your satisfaction.

Yours faithfully
Lanka Credit and Business Finance Ltd.,

Signature

Designation

Name