



Framework for MFIN's Customer Greivance Redressal Mechanism (CGRM)

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Preface

The Reserve Bank of India (RBI), vide press release on 'Self-Regulatory Organization (SRO) for NBFC-MFI' dated 26th November 2013¹, decided to accord recognition to Industry Associations as Self-regulatory Organization (SRO). One of the criteria for SRO recognition was that an SRO should have a grievance redressal mechanism and dispute resolution mechanism for the customer of NBFC-MFIs.

Accordingly, a grievance redressal mechanism for the customer of NBFC-MFIs' was operationalized in July 2015 through a Customer Grievance Redressal Mechanism (CGRM) Number (a toll-free number 1800 2700 317) at MFIN. MFIN's CGRM gives customers of MFIN-member NBFC-MFIs, an easy-no-cost access to the SRO to seek support in addressing their grievances.

It may be noted that responsibility of addressing and resolving customer's grievance lies primarily with the NBFC-MFI. As per the RBI's Fair Practice Code (FPC), if the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI (complete contact details), under whose jurisdiction the registered office of the NBFC falls². MFIN's CGRM is only intended to support the satisfactory resolution of grievances of customers' of NBFC-MFIs and is not a substitute either to NBFC-MFIs' own CGRM or RBI's appeal mechanism available to customers.

Currently, MFIN's CGRM which began with a single-person team, has evolved into full-scale CGRM covering 10 languages with monthly call-handling volume of over 5,000. Overtime, there has been gradual evolution of CGRM processes to define handling of calls, complaints, escalation mechanism, closure as well as the reporting and monitoring. However, having reached a certain scale, it is necessary that those processes be reviewed and codified into a standard framework – to institutionalize and to bring greater clarity, consistency and transparency to this work. This CGRM Framework is framed in this context.

The CGRM framework will govern MFIN's CGRM function vis a vis member NBFC-MFIs and lays out its core elements as under:

- a. Operational structure
- b. Key features
- c. Handling queries and service requests
- d. Handling of complaints
- e. Oversight

This CGRM Framework was approved by the Board in its meeting held on 6th March 2019 and will come into force from 1st April 2019. Framework only covers the MFIN-member NBFC-MFIs.

As always, we look forward to our member NBFC-MFIs' support and trust in this endeavour.

If you have any suggestions and clarifications, please do get in touch with Sankalp Tripathi at sankalptripathi@mfinindia.org

¹ https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=30052

² <https://rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=9823>

1. Background

1.1 Presently MFIN operationalizes its CGRM through a dedicated toll-free number for the customers of member NBFC-MFIs.

1.2 The objective of the MFIN's CGRM is to:

- Support resolution of customer's grievances not addressed by the NBFC-MFIs to her satisfaction
- Understand systemic issues with respect to customer grievances at the level of industry and specific NBFC-MFI(s) and escalate them to SRO Governing Bodies for further action as required.

1.3 Relevant provisions of CGRM in RBI's SRO Guidelines are as under:

- SRO should have a Grievance Redressal Mechanism and a Dispute Resolution Mechanism in place, including a specially appointed Grievance Redressal Nodal Officer.

1.4 Relevant provisions in the Industry Code of Conduct (CoC) for SRO's CGRM are as under:

- Part VIII, Feedback / Grievance Redressal Mechanism
- Para VIII (1): The minimum standards required for the GRM are vi) nodal staff in the branch to guide customers to lodge grievance with RBI or SRO
- Para VIII (2): MFIs must inform clients about the existence and purpose of these mechanisms and how to access them
- Para VIII (4): MFIs must display contact number and address of SRO (as applicable) nodal official and details of the grievance redressal system of the SRO
- Para VIII (6): Where complainants are not satisfied with the outcome of the investigation conducted by the concerned MFI into their complaint, they shall be notified of their right to refer the matter to the grievance redress mechanism established by the SRO, as applicable

1.5 As per MFIN Directive # 11 for display of SRO's Customer Grievance Redressal Mechanism (CGRM), member NBFC-MFIs are directed that:

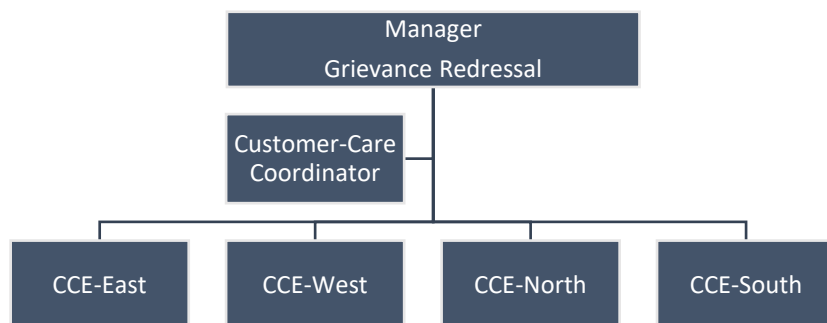
- NBFC-MFIs' CGRM policy to include MFIN's CGRM information.
- CGRM Policy along with details of MFIN's CGRM should be available on the website of the company.
- NBFC-MFI to display MFIN's CGRM number on loan cards, and branches, and in vernacular language, as required.
- NBFC-MFIs to include the information on MFIN's CGRM for trainings for customer and employees.

2. Operational structure

2.1 Operational structure of MFIN's CGRM is implemented through team headed by a Manager Customer Grievance Redressal reporting to Head, SRO. Manager CGRM is assisted by a Customer-Care Coordinator (CCC) and Customer-Care Executives (CCE) covering languages from different regions.

2.2 CCEs are primarily responsible to handle the calls and capturing them in the Management Information System (MIS) as per the defined process. They are also responsible for forwarding the complaints to Customer-Care Coordinator.

2.3 Customer-Care Coordinator (CCC) is responsible to verify the complaints received from CCEs and also overall quality of data captured by the CCEs.



2.4 Manager CGRM is responsible for overall functioning of the CGRM including oversight of CGRM team, MIS, complaint resolution from NBFC-MFIs, reporting and monitoring and interactions with vendors for system requirement (toll free number, dash board etc)

3. Key features

3.1 MFIN's CGRM only caters to the customers of MFIN member NBFC-MFIs. Customers are made aware about the MFIN's CGRM by the member NBFC-MFIs. A member NBFC-MFI must inform the customer that she/he can approach the MFIN's CGRM if they need further support in resolving their grievances vis a vis NBFC-MFI.

3.2 For queries, service requests and complaints received for the lenders who are not MFIN member NBFC-MFIs (such as Banks, NBFCs, Small Finance Banks), efforts are made to direct the customers to CGRM number of those lenders.

3.3 Considering the customer segment of the NBFC-MFIs, MFIN's CGRM operates through a toll-free helpline (a toll-free number 1800 2700 317). This allows for easy and no-cost access to MFIN's CGRM by the customers.

3.4 Calls landing on the CGRM are mapped to specific language based on the origin (location) of the calls and directed to CCEs handling that specific language. CGRM address customer queries/complaints in 10 languages as under:

- English
- Hindi
- Odiya
- Bengali
- Marathi
- Gujarati
- Malayalam
- Kannada
- Telugu
- Tamil

3.5 The incoming call facility at the MFIN's CGRM be available on MFIN's working days (Monday to Friday) between 9:30 am and 5:30 pm. Calls landing outside of working days and hours, dropped and missed during working hours to be connected by outbound calls through three attempts. These outbound calls to be attempted during CGRM working hours as well as on Saturday.

3.6 All CGRM data like the customer details, call related information and voice records are stored and confidentiality of the data to be maintained. Database to be accessible only by authorised persons. Manager CGRM to have access to all call related data, CCEs to have access to information only related to the calls coming from locations assigned to them.

4. Handling of queries and service requests

While key objective of the MFIN' CGRM is to provide a support-mechanism to the customers of MFIN-member NBFC-MFIs to resolve their grievances with respect to a NBFC-MFI. However, many calls are received which are in nature of queries or service requests. These are to be handled by the MFIN as per the process described below.

Queries

4.1 Definition: A call to be categorized as a query when the caller is an existing or potential customer and wants to either avail information regarding products offered in general by the NBFC-MFIs or wants any specific information regarding the existing loan that she/ he may have availed.

4.2 Response: The callers to be directed to the concerned NBFC-MFIs by sharing the CGRM details of the NBFC-MFIs with them. Some generic calls which are not related to any specific member NBFC-MFI but about micro-credit (for example if loan-waivers is applicable to their loan) to be responded as per standard script.

Service requests

4.3 Definition: A call to be categorized as a service request when it is from an existing customer who has availed a loan from a member NBFC-MFI and wants to avail a service with respect to the loan taken. Example: Request to re-issue of loan card/agreement or to allow delay in loan repayment, for allow loan foreclosure or to raise an insurance claim etc.

4.4 Response: The callers in such cases to be directed to the concerned NBFC-MFI by suggesting either to reach out to nearby branch or by providing concerned NBFC-MFI's CGRM.

5. Handling of complaints

5.1 Definition: A call to be categorized as a complaint when the caller or the person on whose behalf the caller is calling, is an existing customer or past customer of a member NBFC-MFI and has a grievance regarding which the customer has approached the CGRM of the NBFC-MFI³, and the said grievance has not been resolved by NBFC-MFI within time frame as indicated by NBFC-MFI while registering the grievance, or a timeframe as deemed to be appropriate by MFIN.

Registration

5.2 Upon receiving a complaint call, CCE to take down the details required for registering the complaint in a standard format. In case caller fails to provide some details relevant for complaint registration, CCE to attempt call back to the customer once to take pending details from the customer. In case, customer is not reachable, the complaint to be registered once the customer calls and provide the complete details required to register the complaint.

5.3 Following types of complaints are classified as critical:

- A complaint wherein customer is very aggrieved and gives any hint/ threat of self-harm
- Any complaint involving acute abuse of customer by the staff of NBFC-MFI
- Any other matter considered urgent and requiring immediate response from the NBFC-MFI

5.4 Once the complete details are provided by the customer, CCE to notify Manager CGRM about the receipt of customer complaint. The notification mail with complete complaint details shall be sent by CCEs no later than 10:30 am of the following day. A critical complaint is forwarded by the CCEs to the Manager CGRM immediately upon receipt of such complaint.

Processing

5.5 Once the complaint is registered, it is to be verified for the adequacy of information.

5.6 The normal complaint to be forwarded to the concerned NBFC-MFI within one day from receipt of complaint at MFIN' CGRM and critical complaints on the same day.

5.7 The complaint to be forwarded to the GRM Coordinator and SRO Coordinator (or any other person designated by the NBFC-MFI for this purpose). Critical complaints to be sent to CGRM Coordinator and SRO Coordinator (or any other person designated by the NBFC-MFI for this purpose) of the NBFC-MFI along with a copy marked to the CEO/MD of the concerned NBFC-MFI.

5.8 NBFC-MFI to resolve complaints within 7 days and critical complaint within 2 days, and this is communicated to the concerned NBFC-MFI.

5.9 All complaints to be tracked for effective and timely resolution. For this purpose, a complaint tracker to be maintained in which all the complaints are recorded and the details of communication with the NBFC-MFI in that regard is maintained.

5.10 The complaint tracker to be monitored for pending responses on a weekly basis. All pending complaints where response is not received within 7 days, a reminder mail to be sent to the NBFC-MFI by copying CEO/MD of NBFC-MFI and Head SRO. NBFC-MFI to respond in 3 days for normal complaints and in 1 day for critical complaints, from receipt of reminder.

³ either at the field level or through any other channel including the customer helpline number of the NBFC-MFIs

Closure

5.11 Resolution provided by the NBFC-MFIs is verified by calling to customer to check her satisfaction.

- If customer is satisfied with the resolution provided by the NBFC-MFI, complaint to be closed.
- In cases where the resolution of customer complaint is dependent on third-party providers⁴ and appropriate action has been taken by NBFC-MFI within given TAT, complainant to be informed about the action taken by the NBFC-MFI and the complaint to be closed. Complainant to be informed that she may register a fresh complaint, in case the issue is not resolved within the TAT communicated by NBFC-MFI.
- If customer is not satisfied with the resolution provided by the NBFC-MFI, complaint to be referred again to the concerned NBFC-MFI. If dispute between the customer and the NBFC-MFI is not resolved, MFIN will try to resolve the by engaging with customers and NBFC-MFIs. However, if dispute is not resolved even after that, complaint will be closed and tagged as 'closed-disputed'. The customer will be notified of her right to take the matter up with the RBI, if required.

5.12 For cases where no response is received from the NBFC-MFI even after the reminder

- Complaint will be closed and tagged as 'closed-no-response'.
- Repeated cases of non-response by NBFC-MFI to be escalated to the EC for further action.

⁴ Such as Insurer or seller of third-part products

6. Oversight

MFIN's CGRM to have an oversight mechanism to see adherence to framework and evaluate overall performance of the CGRM for strengths and challenges.

6.1 The performance of the MFIN' CGRM to be tracked through regular monitoring of following parameters on a monthly basis:

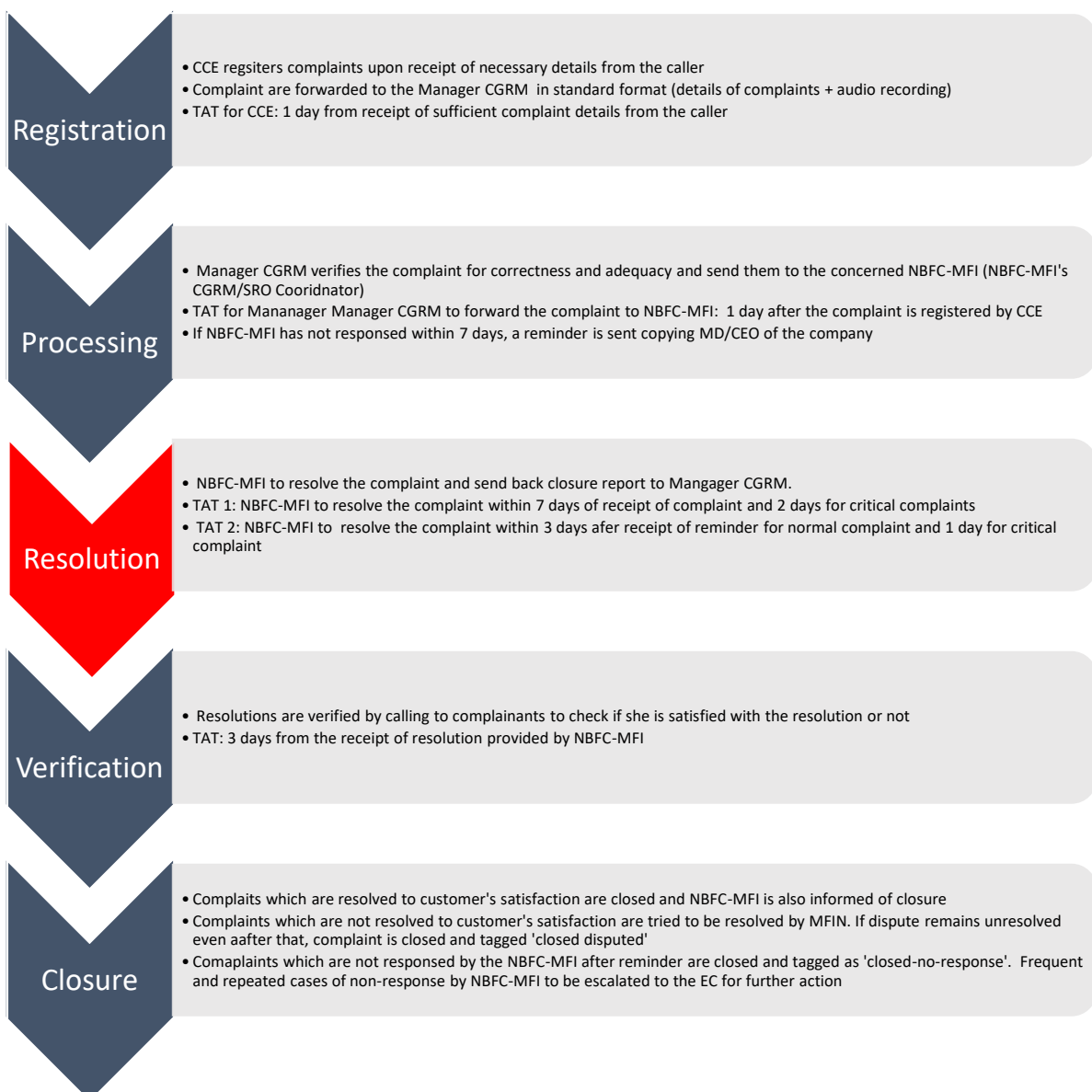
- Call volume: CCE wise calls received, calls missed, and outbound calls tried and connected.
- Call quality: Politeness and empathy, information quality, complaint registration etc
- Adherence to TAT: Adherence to TAT at different levels, CCEs, CCC, Manager CGRM and the NBFC-MFI
- Status of complaints: Overall tracking of complaints to see open, closed cases, lack of response, disputes, TATs etc.

6.2 The following reports to be prepared and shared at different intervals as follows:

Sl no	Report	Reporting frequency
1	Monthly report (Nature and status of complaints received)	Monthly, by 6 th of succeeding month (the next working day in case last day is a holiday)
2	RBI Reporting- Part A (summary of complaints received during the quarter)	Quarterly, 20 days after the closure of quarter
	RBI report-Part B (NBFC-MFI wise complaints received during the quarter)	Quarterly, 50 days after the closure of quarter
3	Quarterly reporting to EC, SROC and members (Nature of complaints received- categories and issues, geographic distribution of complaints, resolution status and TAT etc for both MFIs' CGRM and MFIN CGRM)	Quarterly, 50 days after the closure of quarter

6.3 Analysis of systemic issue coming through MFIN's CGRM are to be taken the Enforcement Committee (EC) and Self-regulatory Organization Committee (SROC) for further action.

7. Annex



For any suggestion/clarification/query, please contact
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