



# **Customer Service and Deposit Policy**

United Overseas Bank, India

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## **1. Background**

- 1.1 This document outlines United Overseas Bank, India Branch's transparent and comprehensive Customer Service and Deposit Policy and sets out the rights of the depositors in general. The policy covers all aspects of account opening subject to KYC norms and operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at the branch. This policy will also cover the aspects in regard to secrecy and confidentiality of customers.
- 1.2 This policy is framed on the findings and recommendations of the Committee on Procedures and Performances Audit on Public Services (CPPAPS) – Banking Operations: Deposit Accounts and Other Facilities relating to individuals (Non-Business) and the related RBI circular No. DBOD.No.Leg.1276/09.07.007 (CPPAPS)/2003-04 dated 17 June 2004. The policy also covers aspects dealt with in the RBI circular DBOD.LEG.BC.86/09.07.007/2001-02 dated 8 April 2002 and as per requirements in the Master Circular / Master Directions on Customer Services in Banks published by RBI.

## **2. Objective**

- 2.1 The main objectives of this policy are to ensure that;
- a) The bank does not enjoy any undue enrichment by charging customers with hidden and high costs for transactions
  - b) Service charges levied are uniform for all customers except in cases where the bank management may approve concession / waiver of charges.
  - c) Interest rates are applied uniformly to all deposit accounts as per the bank's published interest rate chart.
  - d) There is no discrimination between customers in respect of application of interest rates on fixed deposits taken from different customers on a day for the same value of deposits for same tenor.
  - e) Opening and operating deposit accounts adhering to KYC norms and safeguarding against unscrupulous persons for fraudulent transactions in the accounts.
  - f) In the event of fraud / misappropriation happening in any deposit account, the depositor is suitably compensated as per the bank's Compensation Policy.

## **3. Philosophy and Policy**

- 3.1 The bank's Deposit Policy is aimed at achieving the above objectives of having a transparent and comprehensive document setting out the rights of the depositors.
- 3.2 The bank's philosophy is in extending quality customer service to retain them for a long and mutually beneficial business relationship.

#### **4. Rights of the Depositors**

The following are the rights of the depositors, which are not exclusive in nature:

- a) To enquire about the charges levied in respect of banking services availed by the customer
- b) To demand 'Statement of Account' at more than the specified time intervals as decided by the Bank. The bank, however, reserves the right to levy suitable service charges for such requests received from customers.
- c) To enquire about the various products/ services offered by the bank and also demand the 'schedule of charges' for various banking services.
- d) To receive an acknowledgement of the cheques deposited at the branch for collection / clearance.
- e) To enquire about the interest rates on fixed deposits and choose the term as per their choice/ requirements.
- f) To select the option of periodicity for receiving interest on fixed deposits, i.e. monthly/ quarterly/ half yearly or on maturity.
- g) To lodge complaints for any deficiencies in relation to the banking services and ask for an acknowledgement for the same from the appropriate authority.

#### **5. Operations of Deposit Accounts**

- 5.1 For UOB Mumbai, Retail banking is not a thrust area presently due to limited branch network in India. However, the bank offers Savings Bank account, Term Deposit account for domestic customers.
- 5.2 Savings Bank accounts shall be paid interest at quarterly or lower intervals at interest rate published by the bank from time to time, on daily product basis.
- 5.3 No interest shall be paid on deposits held in current accounts. The bank currently does not handle cash.
- 5.4 The bank accepts Fixed Deposits for various maturities as per product specifications for term deposits.
- 5.5 Deposit interest rates are published by the bank periodically and will be prominently displayed in the branch premises. Charges, if any, with regards to the deposit schemes and other related services shall also be communicated upfront by prominently displaying at the branch premises.
- 5.6 The bank will consider number of days in a year as 365 days for the purpose of calculation of interest rate on domestic term deposits.
- 5.7
- 5.8 For Savings Bank Account and Current Account deposits, the bank will normally stipulate certain minimum balances to be maintained as part of the terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the Current Account will attract levy of charges as specified by the Bank from time to time while for Savings Bank accounts there are no charges for the same. For Savings Bank accounts, the bank may also place restrictions on the number of transactions, withdrawals etc. for a given period. The bank may specify charges for issue of additional statement of accounts, etc. Details regarding terms and conditions

for operation of accounts and schedule of charges for various services will be communicated to the prospective customer while opening the account.

Savings Bank account can be opened for eligible persons and certain organizations / agencies (as advised by the Reserve Bank of India from time to time).

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / Hindu Undivided Family (HUF) / Specified Associates / Societies / trusts etc.

Term Deposit Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / Hindu Undivided Family (HUF) / Specified Associates / Societies / trusts etc.

- 5.9 The Due Diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about the occupation and source of income. Obtaining introduction of the prospective customer from a person acceptable to the Bank and obtaining recent photograph of the person/s opening and operating the account are part of due diligence process.
- 5.10 In addition to the due diligence requirements, under the KYC norms the Bank is required, by law, to obtain the Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.
- 5.11 Timely Issue of TDS Certificate to Customers – The bank will provide TDS Certificate in Form 16A, to the customers in respect of whom the bank has deducted tax at source. .
- 5.12 Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as joint account). Savings Bank account can also be opened by a minor jointly with natural guardian or with mother as the guardian (status: known as Minor's account). Minors above the age of 10 years will also be allowed to open and operate savings bank account independently. However, no overdrafts will be granted to minors.
- 5.13 **Operation of Joint Account:** Joint accounts opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all account holders. Savings bank account opened by minor jointly with natural guardian / guardian can be operated by natural guardian only.

5.14

The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

- i. **Either or Survivor:** if the account is in the name of two individuals says, A & B, the final balance along with interest, if applicable, will be paid to either of account

holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.

- ii. **Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with interest if applicable, will be paid to any of accountholders i.e. A or B or C, on the date of maturity.

On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving accountholders i.e. B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving accountholder i.e. C.

- iii. **Former or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity and to the survivor on death of anyone of the account holders.

- iv. **Later or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.

Now if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.

At the request of the depositor, the bank will register mandate/power of attorney given by him authorizing another person to operate the account on his behalf.

5.15 The Bank shall not discriminate between depositors in respect of interest rates on deposits accepted on the same date for similar amounts and with the similar term period.

5.16 The Bank has statutory obligations to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. The Bank will issue Tax Deduction Certificate (TDS certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year.

**Pre-mature withdrawal of Term Deposits:** The bank, on request from the depositor, will allow withdrawal of a term deposit before completion of the period of the deposit agreed upon at the time of making the deposit. The bank will determine the penal interest rate of premature withdrawal of term deposits. The bank will ensure that the depositors are made aware of the applicable penal rate along with the deposit rate.

Penal interest on pre-closure of fixed deposits will be charged as per Bank's policy. The Bank should ensure that the depositors are made aware of the applicable penal rates along with the deposit rates

No interest is payable where premature withdrawal of deposits takes place before completion of the minimum period prescribed (i.e. 7 days for domestic deposits).

While prematurely closing a deposit, interest on the deposit for the period that has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate.

The bank has the discretion to disallow premature withdrawal of a term deposit in respect of bulk deposits of INR 1 crore and above of all depositors, including deposits of individuals and HUFs.

5.17 **Premature Renewal of Term Deposits:** In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate.

5.18 **Advances against Deposits:** The Bank may consider request of the depositor(s) for loan / overdraft facility against term deposits duly discharged by the depositor(s) on execution of necessary documents. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that the loan is for the benefit of the minor, is to be furnished by the depositor/ applicant.

5.19 The Bank shall endeavor to obtain renewal/ maturity disposal instructions from all customers at the time of booking deposits. The available options for disposal of maturity proceeds can be:

- a) Credit maturity proceeds to the customer's transaction account (Savings bank or Current Account);
- b) Renewal of entire maturity proceeds for the same period;
- c) Renew partial amounts for the same / different period;
- d) Remit the proceeds as per instructions of the customer.

The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.

In the absence of any instructions from the customer, with a view to ensure minimum loss of interest to the depositor, the Bank shall renew the deposit (maturity proceeds) for the same period as the default option.

5.20 When a term deposit is renewed on maturity, on the renewed deposit interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by the bank from time to time.

5.21 Nomination facility is available on all deposit accounts opened by the individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holder(s) any time. While making nomination, cancellation or change thereof is required to be witnessed by a third party if any one or more of the depositors have applied thumb impression for giving the consent. If all depositors have signed the nomination form, witness is not required. Nomination can be modified by the consent of account holder(s). Nomination can be made in favour of minor also.

Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor(s), would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

5.22 The Bank shall always protect customers' interest and shall maintain confidentiality of customer's personal information.

**5.23 Settlement of dues in deceased deposit account:**

- a) If the depositor has registered nomination with the Bank, the balance outstanding in the account of the deceased depositor will be transferred to the account of/ paid to the nominee after the Bank satisfies itself about the identity of the nominee, etc.
- b) The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.
- c) In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders have given mandate for disposal of the balance in the account in the forms such as "either or survivor , former / latter or survivor, anyone of survivors or survivor" etc. the



payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

- d) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved the Bank's Management Committee. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

#### **5.24 Interest payable on term deposit in deceased account:**

- a) In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity, as per the Bank's policy in this regard.
- b) However, in case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at savings bank deposit rate from the date of maturity till the date of payment.

5.25 The Bank maintains a 'Complaints cum Suggestion' register for customers, who can access the same at the branch and lodge complaints for any deficiency in the services.

5.26 The Bank shall be glad to receive valuable suggestions and observations on deficiencies in our service from customers. Any complaints/ suggestions will be reviewed on top Priority and corrective action will be initiated to resolve the same.

5.27 Salient features of the 'Banking Ombudsman Scheme' are displayed on the Notice Board. The Bank shall provide a copy of the same to customers on request.

5.28 Customer complaints/ suggestions received by the Bank and the status of its resolution would be reviewed by the Bank's Senior Management and the Customer Service Committee.

5.29 The customer service/ front office staff are trained by way of special meetings on handling and resolving queries and suggestions received from customers. The Head of Operations and Technology is in charge of the quality assurance for the customer service..

5.30 The Bank endeavours to ensure that the operations staff/ Relationship Managers properly guide the customers so as to provide efficient customer service.

## **6. Compensation to Depositors**

In the event of erroneous debits arising on fraudulent or other transactions, the bank will compensate the customers as per the Bank's Compensation Policy in place. The Bank's Compensation Policy is available at the Branch.

## **7. Customer Information**

The information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it should be strictly with the consent of the customer.

## **8. Secrecy of Customer's Accounts**

The Bank shall not disclose details/ particulars of the customer's account to a third person or party without the express/ implied consent from the customer. However, exceptions to this rule are disclosure of information under compulsion of law, where there is a duty to the public to disclose and where the interest of the Bank requires disclosure.

## **9. Minor's Account**

9.1 A minor can open savings bank account and the same can be operated by the natural guardian or by minor himself/ herself if he/ she is above the age of 10 years. Minor accounts can also be opened jointly with the natural guardian.

9.2 On attaining majority, the erstwhile minor should confirm the balance in his / her account and if the account is operated by the natural/ legal guardian, fresh specimen signature of the erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.

## **10. Insurance Cover for Deposits.**

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to conditions and certain limits. Details of the insurance cover in force will be made available to the depositor.

## **11. Stop Payment facility**

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered.

## **12. Dormant Accounts**

Accounts which are not operated by the customer for a period of 24 months will be transferred to a separate dormant/ inoperative account status. Charges applicable to the dormant/ inoperative accounts are mentioned in the Schedule of Charges, available at the branch.

### **13. Addition/ Deletion of name(s) of Joint Account holders**

The Bank may at the request of all the joint account holders allow addition or deletion of name(s) to joint account holder(s) if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.

### **14. Safe Deposit Lockers**

The Bank currently does not offer this facility.

### **15. Banking facilities to the visually challenged/ illiterates**

- 15.1 The Bank at its discretion will open deposit accounts other than Current Accounts in the name of visually challenged/ illiterate person, provided he/ she calls on the Bank personally along with a witness who is known to both the bank and the depositor. Cheque book facility will be provided for savings bank account of the visually challenged. For illiterates, at the time of withdrawal/ repayment of deposit amount and/ or interest, the account holder should affix his/ her thumb impression or mark in the presence of the authorized officer who will verify the identity of such persons. The bank will ensure that all banking facilities made available to other account holders would be made available to such visually challenged / illiterate persons. The bank will not discriminate the facilities between other account holders and visually challenged/ illiterate account holders.

The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDS) and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.

- 15.2 The Bank will be glad to explain the need for proper care and safekeeping of the cheque books etc. given to such account holders. The Bank official will explain the terms and conditions governing the account, while opening such accounts.

## **16. Closure of Accounts suo-motto by the Bank**

- 16.1 The bank would close the account of the customer if the bank is dissatisfied with the way the customer is using the account, or if it is observed that its relationship with the customer has broken down irretrievably. However, the bank will not close an account for an improper reason, for instance, because of unfair bias or unlawful discrimination.
- 16.2 The Bank would give reasonable period of time to the customer to make alternate arrangements. The reasonable period for the bank is at least 30 days' notice, from the date bank conveys to the customer about its intention to close the account after which the bank would close the account in normal circumstances. Examples of circumstances which are not 'normal' e.g. where the customer was threatening or abusive to the bank's staff, the bank would close the account immediately.
- 16.3 The bank would also suo-motto close the account if it feels that there is an improper conduct of the account operations viz. frequent return of cheques, transactions happening not in synchronization with the type of account, failure to update customer identification data as per KYC norms etc.
- 16.4 Inability of an existing customer to furnish details required by the bank to fulfill statutory or regulatory obligations could also result in closure of the account after due notice(s) is issued to the customer.

## **17. Annual Review**

At a minimum, this policy will be reviewed annually.