



Checklist on Customer Grievance Redressal (CGR)¹

Background

Our members continue to scale and innovate in digital lending, reaching a larger customer segment. This comes with a responsibility to resolve customer's complaints promptly to their satisfaction. Implementing a robust Customer Grievance Redressal (CGR) system/process by the companies is critical to customer trust and experience. It is equally important to identify emerging risks and improve products and services.

To support members' efforts in delivering effective CGR that complies with regulatory and industry standards, we have developed a comprehensive Customer Grievance Redressal Mechanism Checklist.

We hope it serves as a ready reckoner for the members to follow all the necessary standards for CGR coming from regulations and the FACE Code of Conduct. Members² may follow the same based on their Loan Service Provider (LSP) and Regulated Entity (RE) status. We have also included an Annex, giving an indicative list of indicators the company can capture on CGR data periodically. For any questions and suggestion, members may reach us at teamface@faceofindia.org

References

- [RBI Guidelines on Digital Lending](#)³
- [Scale Based Regulation \(SBR\): A Revised Regulatory Framework for NBFCs](#)⁴
- [Reserve Bank - Integrated Ombudsman Scheme, 2021](#)⁵
- [Ombudsman Scheme for Non-Banking Financial Companies, 2018, NOTIFICATION](#)⁶
- [Co-Lending by Banks and NBFCs to Priority Sector](#)⁷
- [FACE Code of Conduct](#)⁸

¹ Released on 13th Mar 2024

² Industry participants outside of FACE membership may well use this checklist to improve their practices

³ <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12382&Mode=0>

⁴ <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0>

⁵ <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12192&Mode=0>

⁶ <https://rbidocs.rbi.org.in/rdocs/Content/PDFs/NBFC23022018.pdf>

⁷ <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11991&Mode=0>

⁸ https://faceofindia.org/wp-content/uploads/2023/12/FACE-Code-of-Conduct_Sep-2023.pdf

Checklist Customer Grievance Redressal (CGR)

	Checklist on customer grievance redressal (CGR)	Reference	Yes	No	NA ⁹
A	Policy				
1	The Board of Directors of NBFCs shall lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.	SBR/45.8.1			
2	The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.	SBR/45.8.2			
3	CGR Policy/SoP should cover at least the following				
a.	Definitions /categories for queries, service requests and complaints				
b.	Channels and process to register/acknowledge/resolve/close the queries/service requests/ complaints				
c.	Defined Turn Around Time (TAT) for queries, service requests and complaints				
d.	Escalation process, including external escalation to RBI				
e.	Roles and responsibilities for employees with respect to CGR				
f.	Roles and responsibilities of Grievance Redressal Officer and Principal Nodal Officer/Nodal Officers				
g.	Periodic audit for CGR for compliance with policies, service quality and gaps, if any				
h.	Reporting to the top management and Board about overall data, insights and audit				
B	Customer engagement				
4	Provide transparent and convenient access to the customer to resolve their queries, service requests and complaints. Ideally, there should be an accessible and transparent In-App redressal mechanism as the first port of call for customers.	FACE Code/75			
5	NBFCs shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.	SBR/45.15			
6	Educate customers about their right and responsibility to use legitimate grievance redressal channels to raise issues related to but not limited to	FACE Code/76			
a.	Disclosure related to loan availed				
b.	Update and correction in their data and records, including contact details				
c.	Transaction failures				
d.	Misbehaviour during recoveries				
e.	Misuse and violation of data consent, rights or privacy				

⁹ Not applicable

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f.	Request account statements				
g.	Help in understanding terms and conditions.				
h.	Understanding the reason for the rejection of their loan or a reduction in their credit limit.				
i.	Procedure for recoveries				
7	Prominently display redressal mechanism (channels, escalation, and TAT for various categories of complaints) on DLA, websites, physical locations if any and any communication shared with the customer.	FACE Code/73			
8	Take adequate efforts towards the creation of awareness about the grievance redressal mechanism ¹⁰ .	SBR/51.3 (vi)			
9	Ensure that customer understands the redressal mechanism and encourage them to contact the company directly for any complaints, service requests and questions and dealing with financial difficulties ¹¹ .	FACE Code/74			
10	In cases where complaint resolution lies with another third-party (for example, related to product/service purchase online), guide the customers to the appropriate channels and support them in obtaining redress	FACE Code/78			
11	Informs the customer about CGR through DLA/website/loan documents/Key Fact Statement (KFS) as under				
a.	Channels (for example, DLA, Phone, Email, WhatsApp etc) available to customers to raise queries/service requests/complaints				
b.	The escalation process				
c.	Expected TAT at every level of escalation				
d.	Details (name, email, phone) of Nodal Grievance Redressal Officer designated specifically to deal with digital lending/ FinTech related matter	DLG/6.2			
e.	Ombudsman Scheme including salient features in English, Hindi and regional language as per place of business (if applicable to the company)	SBR/45.9			
f.	The website prominently displays the link to the RBI Sachet Portal (applicable to RE)	DLG/5.7			
g.	REs shall ensure that DLAs of REs and LSPs have links to REs' website where further/ detailed information about the loan products, the lender, the LSP, particulars of customer care, link to Sachet Portal, privacy policies, etc. can be accessed by the borrowers. It shall be ensured that all such details are available at a prominent single place on the website for ease of accessibility.	DLG/5.7			
h.	Options to escalate complaints to RBI Ombudsman/RBI's prescribed GRM (if RE is not covered under the Ombudsman Scheme), as applicable, if the complaint is unredressed by the company after 30 days	DLG/6.2			
12	KFS to have the name, designation, address and phone number of nodal grievance redressal officer designated specifically to deal with FinTech/ digital lending related complaints/issues	DLG/5.2.2			

¹⁰ For example through awareness broadcast messages, campaign on CGR

¹¹ Prominent messaging to customer through app notification, email/text messages increase customer awareness.

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13	Contact details of grievance redressal officers shall be prominently displayed on the websites of the RE, its LSPs and on DLAs and also in the KFS provided to the borrower.	DLG/6.2			
14	Generally, a time limit of 30 days may be given to the customers for preferring their complaints/grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.	SBR/5.10.2			
15	Has options to receive/respond to customers' queries/service requests/complaints across multiple channels				
a.	DLA				
b.	Email				
c.	SMS				
d.	WhatsApp				
e.	Phone				
f.	Chatbot				
g.	Social media platforms (Facebook, Instagram, Twitter/X)				
h.	Other				
16	Acknowledge all customer requests for queries, service requests and complaints within three working days along with expected TAT and address them in a reasonable time frame, not crossing 30 working days.	FACE Code/77			
17	Updates the customer on the status of complaints.				
18	If the customer is unsatisfied with resolutions within 30 days of complaints, direct the customer to other regulatory avenues of recourse, such as the Ombudsman.	FACE Code/79			
C	Systems and processes				
19	Institute a user-friendly, timely, clear and robust redressal mechanism with clear policy, dedicated function/resources, pathways to file complaints (DLA, toll free numbers WhatsApp numbers, email ids, social media handles) escalation mechanisms, responsibilities, expected turnaround time, and reporting.	FACE Code/72			
20	Has a robust process to integrate the customer queries/service requests/complaints from various sources to record/categorise/process/track/resolve/analyse				
21	NBFCs need to have a robust grievance redress mechanism, which in no way shall be compromised on account of outsourcing.	SBR/4.5			
22	NBFCs shall constitute Grievance Redressal Machinery as contained in circular issued by the Reserve Bank on 'Guidelines on Fair Practices Code for NBFCs – Grievance Redressal Mechanism-Nodal Officer' dated February 18, 2013. At the operational level, NBFCs shall display the name and contact details (Telephone/ Mobile nos. as also email address) of the Grievance Redressal Officer prominently at their	SBR/5.10.1			

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	branches/places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving delay. It shall be clearly indicated that NBFCs' Grievance Redressal Machinery will also deal with the issue relating to services provided by the outsourced agency				
23	The facility of lodging complaint shall also be made available on the DLA and on the website as stated above. It is reiterated that responsibility of grievance redressal shall continue to remain with the RE.	DLG/6.2			
24	If any complaint lodged by the borrower against RE or the LSP engaged by the RE is not resolved by the RE within the stipulated period (currently 30 days), he/she can lodge a complaint over the Complaint Management System (CMS) portal under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS). For entities currently not covered under RB-IOS, complaint may be lodged as per the grievance redressal mechanism prescribed by the Reserve Bank.	DLG/6.2			
25	With regard to grievance redressal, suitable arrangement must be put in place by the co-lenders to resolve any complaint registered by a borrower with the NBFC within 30 days, failing which the borrower would have the option to escalate the same with the concerned Banking Ombudsman/Ombudsman for NBFCs or the Customer Education and Protection Cell (CEPC) in RBI.	RBI Co-lending/8			
26	Periodically analyse aggregated CGR data ¹² on queries/service requests/complaints, as under				
a.	Categorisation/nature				
b.	Location				
c.	TAT				
d.	Resolution status				
e.	Disposal status of complaint at each level of CGR				
f.	Customer satisfaction				
27	REs shall ensure that they and the LSPs engaged by them shall have a suitable nodal grievance redressal officer to deal with FinTech/ digital lending related complaints/ issues raised by the borrowers. Such grievance redressal officer shall also deal with complaints against their respective DLAs.	DLG/6.2			
28	Has a dedicated and suitable Principal Nodal Officer and Nodal Officers in relation to the Integrated Ombudsman Scheme ¹³ , if applicable	SBR/45.9			
29	Trains employees across various functions (technology, sourcing, recoveries) on CGR and their responsibilities.				

¹² Refer to the Annex for an indicative list of key indicators the company may capture on the CGR data

¹³ https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52549

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30	Trains people directly responsible for CGR (including outsourced) about the system, processes, and soft skills (behavioural, conflict management, suitable timing to connect with customers, dealing with customers in stress/anger)				
31	Periodically shares the CGR report with the approved by the Board/Board-appointed Committee, as applicable				
a.	Quarterly				
b.	Six-monthly				
c.	Annual				
d.	Others				
32	Review the adherence to the CGR policy through Internal Auditors for				
a.	Categorisation				
b.	Observation of escalation mechanism				
c.	Resolutions provided to the customer at different escalation levels				
d.	TATs for different categories of complaints				
e.	Customer satisfaction with the resolution				
f.	Quality of interaction with customer (politeness, ability to understand their issues, clarifying questions)				
33	Use insights from CGR to improve policies, operations, products and customer communication				

Annex 1: Indicative list of indicators to capture the CGR data for a defined period (like monthly, quarterly, half-yearly, yearly). Illustrated example for Annual data for FY 23-24		
1	Open customer communication at the end of FY 22-23 + new received in FY 23-24	
a.	Queries	
b.	Service requests	
c.	Complaints	
d.	Total	
2	Break-up of complaints received on channels (open at the end of FY 22-23 + new received in FY 23-24)	
a.	DLA	
b.	Email/Phone/WhatsApp	
c.	Social media platform (Facebook, Instagram, Twitter/X)	
d.	Enforcement agencies/police	
e.	RBI	
f.	Any other external sources	
g.	Total	
3	Status customer complaints (open at the end of FY 22-23 + new received in FY 23-24)	
a.	Resolved (number of customer complaints resolved from open complaints as of the end of FY 22-23 + new ones received during FY 23-24)	
b.	Rejected (number of customer complaints rejected from open complaints as of the end of FY 22-23 + new ones received during FY 23-24)	
c.	Pending (number of customer complaints pending from open complaints as of the end of FY 22-23 + new ones received during FY 23-24)	
d.	Total (number of customer complaints received (open complaints as of the end of FY 22-23 + new ones received during FY 23-24)	
4	TAT for customer complaints resolved during the FY 23-24 (days)	
a.	≤ 1 days	
b.	>1-7 days	
c.	>7-15 days	
d.	>15-30 days	
e.	>30 days	
f.	Total (a-e)	
5	Break-up customer complaints ¹⁴ resolved in a period ¹⁵	
a.	App related	
b.	Data breach	
c.	Disclosures	
d.	Interest rate/charges	
e.	Recovery practices	
f.	Credit bureau	
g.	Credit limit related issues	
h.	Others	
i.	Total (a-i)	
6	Benchmark	
a.	Number of loans served (open loans at the end of FY 22-23 + loans disbursed during FY 23-24)	
b.	Ratio of complaints to loans/user served (6a/1c), %	
c.	Average TAT for customer complaints resolved during the period, days	
d.	The ratio of complaints closed with customers satisfied with resolution, %	

¹⁴ Please refer to Annex 2 on next page for definitions of complaint categories

¹⁵ The company may have more categories/subcategories to capture the complaints in granular way

Annex 2: Definitions for customer complaints categories/sub-categories

Sl no	Indicator	Definition
A	Non-customer (applicant/prospective customer)	An individual, a prospective customer reaching out to apply for the loan or an applicant
1	Query	A request by or on behalf of a potential customer asking for information regarding a company, product, service, or related processes or to carry out a transaction or action in relation to any such product or service offered by the company. For example, how to download the app, upload the KYC document, loan interest rate, pre-closure charges, application status, reasons for rejections etc.
2	Service Request	Request to provide things like password reset, pin change, the status of application, change in repayment method, phone number etc.
3	Complaint	NA ¹⁶
B	Customer/Borrower	An individual who has an active loan account
1	Query	A customer (who has an active account)
2	Service Request	Request to provide something in relation to an existing loan. Like duplicate copies of loan agreement contracts, app reset, changes in mobile number, KYC details, password, mode of repayment, changes in ACH instructions, extending time for repayment, consent/management of data, foreclosure,
3	Complaint	Complaint where a customer has experienced deficiency in services from the company in relation to the loan she has available
4	Complaint Categories	
5	App-related	Technical issues, like problems in login, transaction failures, information not being updated
6	Data Breach	Sharing with third parties without permission, consent issues, KYC data compromised
7	Disclosure	Not receiving KFS/sanction/agreement letter loan or repayments/closure not updated in app.
8	Interest rate/charges	Pricing not in line with disclosure
9	Recovery practices	Receiving abusive/uncivil communication. Receiving calls at odd hours (between 6 pm – 8 am) or communication with customer contacts (not references)
10	Credit bureau	Transaction records (repayment, delinquency status, closure, personal information) are not updated/disputed with a credit bureau inquiry without customer consent.
11	Credit limit issues	Changes in credit limit, available limit etc

¹⁶ A non-customer may, however, complain if a fraudsters has exploited company name to harm customer