



**Customers Protection &
Complaints Management Policy
(Including Complaints Handling
Processes & Procedures)**

COMPLAINTS MANAGEMENT POLICY DOCUMENT CONTROL

Document Review History

Version	Date	Purpose	Approved By
1.0	May 2016	Initial	The Board
2.0	March 2020	Update	The Board

SUMMARY OF CHANGES IN THIS VERSION

Key Changes: Amendments and Additions	Page(s)
<p>Updating the subsisting FSDH Complaints Management Framework dating back to August 2016 in line with the CBN Consumer Protection Regulations (December 2019). This entailed the:</p> <ul style="list-style-type: none"> The Development of the FSDH Customer Protection & Complaints Management Policy - Objectives & Scope 	Part 1 (Page 5)
<ul style="list-style-type: none"> Fair Treatment of Customers – Equity & Unfair Contract Terms 	Part Two (Pages 6-7)
<ul style="list-style-type: none"> Disclosure & Transparency – Advertisement, Pre-Contract Procedures; Disclosures; Contractual Disclosures; Specific Product Disclosures & Disclosures on Default Payment of Credit Repayment 	Part Three (Pages 8 – 13)
<ul style="list-style-type: none"> Responsible Business Conduct – Responsible Lending; Sales Promotion; Data Protection & Privacy & Debt Collection 	Part Four (Pages 14 – 17)
<ul style="list-style-type: none"> Complaints Handling & Redress – Complaints Management Channels; Internal Dispute Resolution 	Part Five (Pages 18 – 19)
<ul style="list-style-type: none"> Glossary 	Pages 21 & 22
<ul style="list-style-type: none"> Annexure A – Key Facts Statement 	Pages 23 & 24
<ul style="list-style-type: none"> Annexure B – Formula for Calculating Annual Percentage Rate (APR) for Term Loans of One Year and Above 	Page 25
<ul style="list-style-type: none"> Annexure C – Formula for Calculating Annual Percentage Rate (APR) for Overdrafts & Short-Term Loans Below One Year 	Page 26
<ul style="list-style-type: none"> Annexure D – Timelines for Complaints Resolution by Institutions 	Pages 27-32

NOTICE AND WARNING

Copyright © 2020, FSDH Merchant Bank Limited

This document is the property of FSDH Merchant Bank Limited (“FSDH” or “The Bank”), UAC House (5th – 8th Floors), 1/5 Odunlami Street, Lagos, Nigeria.

Circulation is restricted to FSDH and, for approved business reasons, to its designated associates, correspondent banks and customers. It must not be copied or used for any other purpose other than that for which it is supplied, without the express written authority of the management of FSDH.

The Bank disclaims any responsibility or liability for any use or misuse of this document by any person and makes no warranty as to the accuracy or suitability of the information to any third party.

The management of FSDH reserves the right to seek redress for any misuse of this document.

Table of Contents

PART ONE - OBJECTIVES AND SCOPE.....	5
1. OBJECTIVES.....	5
2. SCOPE.....	5
PART TWO - FAIR TREATMENT OF CUSTOMERS.....	6
3.1 GENERAL PROVISIONS:	6
3.2 EQUITY:.....	6
3.3 UNFAIR CONTRACT TERMS:	7
PART THREE - DISCLOSURE AND TRANSPARENCY.....	8
4.1 GENERAL PROVISIONS.....	8
4.2 ADVERTISEMENT	9
4.3 PRE-CONTRACT DISCLOSURES.....	10
4.4 CONTRACTUAL DISCLOSURES	11
4.5 SPECIFIC PRODUCT DISCLOSURES.....	11
4.6 DISCLOSURE ON DEFAULT OF CREDIT REPAYMENT.....	12
PART FOUR - RESPONSIBLE BUSINESS CONDUCT.....	14
5.1 GENERAL PROVISIONS.....	14
5.2 RESPONSIBLE LENDING.....	15
5.3 SALES PROMOTION	16
5.4 DATA PROTECTION AND PRIVACY	16
5.5 DEBT COLLECTION	17
PART FIVE - COMPLAINTS HANDLING & REDRESS	18
6.1 GENERAL PROVISIONS	18
6.2 COMPLAINTS MANAGEMENT CHANNELS.....	18
6.3 INTERNAL DISPUTE RESOLUTION	18
7.0 GLOSSARY.....	21
8.0 ANNEXURE A	23
9.0 ANNEXURE B.....	25
10.0 ANNEXURE C	26
11.0 ANNEXURE D	27

PART ONE - OBJECTIVES AND SCOPE

1. OBJECTIVES

FSDH Merchant Bank Limited (FSDH) recognizes the need to protect the right of its customers, shareholders, regulators, counterparty banks and other stakeholders. To ensure that the rights of all stakeholders are protected, the bank acknowledges that complaints against actions taken by FSDH including omissions may arise in the ordinary course of business. These include cases where the quality of the bank's services falls below the expectation of stakeholders and the generally acceptable conduct of a bank. It also includes the breach of any regulations or laws of the Federal Republic of Nigeria.

This policy is therefore aimed at addressing the following:

- Protection and ensuring fair treatment of customers;
- Ensuring Disclosure and Transparency;
- Responsible Business Conduct and;
- Complaints Handling and Redress in line with the principles enunciated in the Customers Protection Framework (CPF) issued by the Central Bank of Nigeria

Accordingly, FSDH Merchant Bank ("The Bank") seeks to maintain its reputation as the bank of choice by delivering high quality financial products and services to its clients. The Bank is also committed to maintaining its responsiveness to the needs and concerns of our clients and other stakeholders.

To achieve this objective, we have taken steps to develop the FSDH Customer Protection & Complaints Handling Policy ("The Policy") to guide members of staff in handling complaints from consumers. In preparing this Policy, the Bank has endeavored to align our consumer protection processes with the principles contained in the Customer Protection Regulations of the Central Bank of Nigeria (CBN).

2. SCOPE

This Policy applies to all the business units, employees of the bank regardless of classification and status of employment and the public in relation to complaints and feedback about products and services provided to our clients.

This policy overrides all other related policies or procedures on consumer protection and handling of customer complaints. The implementation, management and application of the Policy within the Bank are the primary responsibility of management.

To ensure efficient handling, responsibility for handling of specific complaints must be adequately delegated to staff members that are adequately trained and have an appropriate combination of experience, knowledge and skill in complaints handling, in the relevant area of complaint and also in relevant legal and regulatory provisions.

PART TWO - FAIR TREATMENT OF CUSTOMERS

3.1 GENERAL PROVISIONS:

FSDH Merchant Bank limited will ensure the protection and fair treatment of customers. Customers will be treated equitably without bias at all stages of the relationship. In this direction we will:

- 3.1.1 Treat our customers equitably without bias at all stages of the relationship.
- 3.1.2 Give customers who meet the minimum legal and non-discriminatory eligibility requirements, equal access to basic services without regard to their social status, physical ability, marital status, gender, age, religion, tribe or ideology.
- 3.1.3 Consider the needs of the financially excluded, including the vulnerable groups such as low-income customers, women, seniors, physically challenged and the non-literate in the development and implementation of our business models, strategies and processes.

3.2 EQUITY:

FSDH Merchant Bank Limited will treat customers equitably always. Therefore, the bank shall:

- 3.2.1 Treat customers with courtesy and respect and shall not engage in practices such as threats, intimidation, use of abusive or offensive language, humiliation, misrepresentation, deception or unfair inducements.
- 3.2.2 Apply lending fees and non-credit related fees in line with agreed contracts and extant regulations
- 3.2.3 Promptly oblige customers' request for account closure or to switch providers, without unreasonable closing/switching barriers.
- 3.2.4 Ensure that variations to contracts including interest rate, fees or charges are only made if expressly provided for in the contract and shall notify customers of any such variation.
- 3.2.5 Respond to customers' enquiries/requests within five (5) working days of receiving the enquiries/requests.
- 3.2.6 Communicate a decision (acceptance or decline) on applications for waivers, extensions, and other concessions to a customer within ten (10) working days.
- 3.2.7 Not act in a manner that is inconsistent with the terms and conditions of our contracts with customers.

3.2.8 Not seek repayment or withhold customer's funds to secure repayment before the due date unless otherwise agreed with the customer or unless there are compelling circumstances to do so.

3.2.9 Not charge early liquidation fees for customers and SME loans with variable interest rate.

3.3 UNFAIR CONTRACT TERMS:

Contracts between FSDH Merchant Bank Limited and customers shall not contain unfair terms i.e. terms which result in an imbalance in rights and obligations which are detrimental to the customers. In addition, all contracts will be carefully reviewed to ensure that they are not in contravention of extant laws and regulations.

PART THREE - DISCLOSURE AND TRANSPARENCY

4.1 GENERAL PROVISIONS

In line with the philosophy of FSDH Merchant Bank Limited to maintain its reputation as a bank of choice by delivering superior high quality products/services and promoting transparency and enhancing disclosure practices, the bank shall comply with the following provisions as enunciated in the CBN Consumer Protection Framework (CPF):

- 4.1.1. Ensure that documents provided or made available to customers on transactions consummated with them shall:
 - a. Be written in clear, legible and simple English language and in a minimum font size of 10.
 - b. Be provided in a durable form for future reference.
 - c. State the name, contact details of the bank and the customers.
 - d. Contain a statement that the bank is regulated by the Central Bank of Nigeria.
 - e. Not be misleading or deceptive.
- 4.1.2. FSDH Merchant Bank shall put procedures in place to ensure that an oral explanation of the document is provided to the customer in a language that he or she understands if:
 - a. the customer requests the bank to do so; or
 - b. it is reasonably obvious that the customer is illiterate or visually impaired or, for any other reason, cannot understand the document.
- 4.1.3. The Bank shall conspicuously display in our banking halls/offices and publish on the websites and internet banking platforms, accurate and up to date information on all our products and services. Such information shall include:
 - a. prime and maximum lending rates;
 - b. deposit rates; and
 - c. exchange rates of foreign currencies.
- 4.1.4. FSDH Merchant Bank Limited shall disclose to our customers in writing, all Terms and Conditions of a transaction agreement

- 4.1.5. The bank will ensure that the disclaimer **“Terms and Conditions Apply”** or any other phrase conveying a similar meaning shall only be used if the terms and conditions have been explained and disclosed in the contract or in other medium accessible by the customer. The bank shall at all times, draw the customers’ attention to such disclosure.
- 4.1.6. The bank will clearly explain technical terms used in documents to the customers to aid understanding.
- 4.1.7. The bank will agree with customers on the communication channel(s) to be used for all correspondences and include the channel(s) in all contract documents.
- 4.1.8. The bank will ensure that our websites and other information dissemination channels are functional and regularly updated with the current features of products and services offered.
- 4.1.9. FSDH Merchant Bank Limited shall comply with the rates, fees, charges, or prices published or disclosed at the engagement points unless where they are stated as indicative only.
- 4.1.10. The bank shall inform customers of applicable and indicative foreign exchange rates through customer engagement points and advise customers to always check the rates before consummating foreign exchange transactions.
- 4.1.11. The bank shall bear all costs associated with disclosures to customers required by the CPF Regulations, except for deposits and withdrawals by or on behalf of the customer.

4.2 ADVERTISEMENT

The bank shall comply with the following disclosures for all advertisements and promotional materials:

- 4.2.1 The content of advertisements shall be factual and unambiguous, expressed in clear and simple language and shall not be offensive, misleading, deceptive, injurious, or exaggerate the benefits of the products or services being advertised.
- 4.2.2 The overall impression of advertisements shall not emphasize benefits of a product or service while de-emphasizing its associated risks.
- 4.2.3 The bank shall:
 - Disclose their contact details in any advertisement or promotional material.

- Clearly disclose details, where feasible, of the cost of a product or services, including all fees and other associated charges.
 - Fully disclose the nature and value of benefits, where an advertisement refers to, or is linked to other value adding benefits.
 - Not make references to unaudited financial statements.
 - Not mention names of competitors or make comparisons in its advertisements.
- 4.2.4 Unsolicited advertisements through emails, text messages, voice calls and other channels sent by or on behalf of the bank shall be at no cost to the customers and shall contain an opt-out provision for future advertisements.
- 4.2.5 The bank shall notify the Director, Customers Protection Department of the CBN prior to the commencement of advertisement of product or service by submitting a description of the content of the advertisement.

4.3 PRE-CONTRACT DISCLOSURES

The bank shall comply with the following requirements prior to the execution of any contract with customers:

- 4.3.1 Disclose all terms and conditions of a product or service on offer, as well as the features, risks, benefits, fees and other associated charges.
- 4.3.2 Disclose in contracts, the possibility of variations in interest rates or foreign exchange due to changes in market conditions.
- 4.3.3 Disclose similar products and services within the bank, to enable customers make comparisons and informed choices.
- 4.3.4 Provide the customers, a Key Facts Statement (KFS) in the format attached as Annexure A stating a summary of key information on customers' loans.
- 4.3.5 Allow customers a minimum of two (2) days from date of receipt, to review draft contract before execution except where the customer waives this in writing.
- 4.3.6 Give customers a cooling-off period of three (3) working days after the signing of a credit contract within which the customers may cancel the contract without having to pay any penalty or charges. However, the customers may choose to waive the option by notifying the bank in writing.

4.4 CONTRACTUAL DISCLOSURES

In alignment with the CBN Consumer Protection Framework (CPF), FSDH Merchant Bank Limited shall comply with the following regulatory requirements during the lifecycle of any contract with customers:

- 4.4.1 Notify customers of any transaction on their account immediately it is made. At a minimum, the notification shall include date, amount, payer transaction reference, channel and the cleared account balance.
- 4.4.2 Ensure that descriptions in account statements are clear. At a minimum, it shall include transaction reference, payer transaction channel, location and account balance.
- 4.4.3 Ensure that, at a minimum, credit contracts contain the following information:
 - Key features and risks;
 - Tenor of the contract;
 - The nature, amount and method of calculation of any interest, fee or charge and when it is payable;
 - The applicable Annual Percentage Rate (APR) to be calculated using the formula stated in Annexure B1 and B2;
 - Notice of possible variations in interest rates, and how the customers will be informed of changes; and
 - Information on how to lodge a complaint with FSDH Merchant Bank Limited and escalate complaint to the CBN where necessary.
- 4.4.4 Provide customers with monthly statements or confirmation/investment advice (as the case may be) for all products and account types, including loan accounts, special accounts and other related accounts at no cost.
- 4.4.5 Provide account balances to customers on request.
- 4.4.6 Give prior notice of variation in interest rates to customers. At a minimum, the notice shall state the following:
 - The reason for the variation;
 - The commencement date;
 - The revised repayment schedule (where necessary); and
 - The alternatives available such as concession, restructuring, re-negotiation, opt-out or termination of the contract.
- 4.4.7 Ensure that variations in interest shall only be implemented after requisite notification to customers: not later than ten (10) working days allowed for Deposit Money Banks (DMBs)

4.5 SPECIFIC PRODUCT DISCLOSURES

In line with regulatory directives, FSDH Merchant Bank Limited shall comply with the following additional disclosure requirements for specific product types in any proposed contract, letter of offer or final contract:

4.5.1 For Credit Facilities:

- a) Name and contact details of borrower;
- b) Type and purpose of credit;
- c) Collateral pledged and its estimated value;
- d) The amount of credit or applicable credit limit;
- e) Conditions precedent to drawdown;
- f) Moratorium (where applicable);
- g) Insurance requirements (where applicable);
- h) Details of lending fees;
- i) Variable rate information (where applicable)
- j) Repayment schedule for term loans;
- k) Early liquidation terms;
- l) Total cost of the credit;
- m) Applicable rate of interest or fee relating to late payment or default;

4.5.2 For Deposit Products:

- a. Minimum balance requirement and other limit on account balances or transactions where applicable;
- b) Monthly maintenance fee, any applicable tenor for a term deposit and any penalty for terminating a term deposit early;
- c) Savings withdrawal options; and
- d) Any reason(s) and timeline within which the account could become inactive or dormant.

4.5.3 For products or instruments used as store of value such as e-wallet accounts, cards or any other form:

- a) Minimum balance and any other limit on account balances and transactions (if applicable);
- b) Types of payments for which the instrument may not be used;
- c) Applicable agent outlets;
- d) Expiration date which may be applicable to the payment instrument;
- e) Processes and procedures to report mistaken and fraudulent transactions.

4.6 DISCLOSURE ON DEFAULT OF CREDIT REPAYMENT

- a. In alignment with the CBN's Consumer Protection Regulations, FSDH Merchant Bank Limited like other Deposit Money Banks (DMBs) shall notify customers within three (3) days from the first day of default, through the agreed medium that a default charge would be applied on the account after 7 days from the date the obligation becomes due.
- b. Default charge(s) shall be disclosed in customers' statements of account separately from the interest charge.

PART FOUR - RESPONSIBLE BUSINESS CONDUCT

5.1 GENERAL PROVISIONS

In furtherance of FSDH Merchant Bank Limited's focus to continually sustain and promote good business practices, the bank shall comply with the following regulatory provisions:

- 5.1.1 Conduct the bank's business in a responsible, professional and ethical manner.
- 5.1.2 Ensure continuous training of the bank's staff members to promote competence, efficiency and professionalism in the discharge of their duties.
- 5.1.3 Provision of clear and transparent information about products and services, features, terms and conditions and the applicable fees and charges.
- 5.1.4 Provide and inform the bank's customers of the channels to make enquiries and complaints.
- 5.1.5 Notify customers of circumstances or situations that may affect the terms of their contracts or relationships.
- 5.1.6 Display all applicable fees for electronic payment services with the option to accept or decline before a transaction is consummated. This should include a notice that third-party charges may apply.
- 5.1.7 FSDH Merchant Bank Limited will not impose any product, service or channel on customers.
- 5.1.8 FSDH Merchant Bank Limited will not charge fees for issuance and renewal of products or services which have not been requested by the customer.
- 5.1.9 FSDH Merchant Bank will not compel customers to buy a product or service as a condition for the purchase of another product or service unless where the products or services are directly dependent.

5.2 RESPONSIBLE LENDING

In line with FSDH Merchant Bank Limited's focus to sustain responsible lending, the banks shall comply with the following regulatory requirements and guiding principles:

5.2.1 Include in credit risk assessment procedures, the type and circumstances for which a credit will be suitable as well as clear lines of authority for approving the product.

5.2.2 Before granting credit to customers, assess their capability to repay in a sustainable manner taking into consideration their financial circumstances.

5.2.3 Ascertain the credit history of customers from the Credit Risk Management System (CRMS), Credit Bureau and other sources of credit reference before advancing credits.

5.2.4 Have a policy to deal with customers who are in financial difficulty.

5.2.5 Monitor loan performance and upon early detection of repayment difficulties engage the customer to discuss alternative repayment options.

5.2.6 Not compel customers to buy products or services, such as insurance or valuation from a particular third-party provider as a pre-condition for the grant of a credit facility, but will provide the option to choose from at least three (3) providers or any number as may be prescribed by CBN from time to time.

5.2.7 Ensure that guarantors confirm in writing that they have read and understood their commitments, potential implications and the maximum amount they are guaranteeing, and have either:

a. sought and obtained independent professional advice before executing the guarantee;

or

b. declared that they do not need independent advice.

5.2.8 Provide periodic update to Guarantors on the loan performance to enable them to assess the likelihood of being called upon to discharge their commitments.

5.2.9 Issue Letter of Discharge at no cost to customers within five (5) business days after liquidation of their loans, and where the loan is guaranteed, the guarantor shall also be notified accordingly.

5.2.10 Notify customers where their loan requests are declined. The reason(s) for decline shall be provided upon request.

5.3 SALES PROMOTION

In relation to sales promotion, FSDH Merchant Bank Limited shall ensure that advertisements and promotional materials on products and services are clear and not misleading. In this direction, the banks shall:

- 5.3.1 Provide information that would aid customers' decisions.
- 5.3.2 Carry out marketing of products and services in an ethical and professional manner
- 5.3.3 Ensure that sales and marketing staff are properly trained and have requisite competence to perform their functions. The bank will ensure that members of staff are knowledgeable in key features, risks and critical terms of product offering.
- 5.3.4 Establish a process to periodically check and monitor the competence and conduct of sales and marketing staff.
- 5.3.5 The remuneration of marketing/sales staff shall not be solely based on sales volume/target but must give consideration to the interests and circumstances of the customers.
- 5.3.6 Provide customers with the option to opt out from receiving marketing materials.

5.4 DATA PROTECTION AND PRIVACY

In line with subsisting regulations on data protection and privacy of customers, FSDH Merchant Bank limited shall:

- 5.4.1 Protect the privacy and confidentiality of customers' information and assets against unauthorized access.
- 5.4.2 Obtain the written consent of customers to collect and process their personal data for specific purpose and provide them with the option to withdraw the consent at any time.
- 5.4.3 Not transfer personal data of customers to a third party without their express consent, except in compliance with a legal or regulatory obligation.
- 5.4.4 Inform customers whenever their data is exchanged with an authorized third party, stating details of the exchange.

5.4.5 Review data processing and privacy procedures to ensure that the purpose(s) for which initial consent was granted remained valid.

5.4.6 Keep accurate and updated data of customers always.

5.5 DEBT COLLECTION

To ensure that debt recovery processes are transparent, courteous and fair, devoid of undue pressure, intimidation, harassment, humiliation or threat, FSDH Merchant Bank shall ensure the following:

5.5.1 Engage and give customers notice(s) of outstanding obligations prior to the commencement of a debt collection initiative.

5.5.2 Initiate foreclosures only when other recovery steps have been unsuccessful.

5.5.3 Give customers the option of a private sale, to be exercised within thirty (30) days before commencing foreclosure, except where the customer waives the right.

5.5.4 Ensure that the net proceeds from foreclosures are immediately applied to the loan account and customers informed of any balance.

5.5.5 Provide customers with a report of the sale of the collateral. At a minimum, the report shall state the process, proceeds, incidental expenses and the net proceeds.

PART FIVE - COMPLAINTS HANDLING & REDRESS

6.1 GENERAL PROVISIONS

The resolution of disputes shall be the responsibility of the bank. Customers' complaints shall first be lodged with the bank for timely resolution and redress.

6.1.1 FSDH Merchant Bank will allocate adequate resources for complaints handling/redress and the processes manned by skilled and well-trained members of staff.

6.1.2 FSDH Merchant Bank will, at all customer engagement points, disclose channels and contact details for lodging complaints, timeframe for resolution, and options for escalation. Where this is not practicable, the bank will refer customers to where the information required could be obtained.

6.2 COMPLAINTS MANAGEMENT CHANNELS

FSDH Merchant Bank Limited shall provide multiple dedicated channels to receive and handle customers' complaints including verbal complaints. The channels will include letters, e-mails, telephone lines, and websites.

6.3 INTERNAL DISPUTE RESOLUTION

In line with regulatory guidelines, FSDH Merchant Bank Limited shall establish Internal Dispute Resolution (IDR) structures and processes for the effective management of customers' complaints.

The IDR mechanism shall satisfy the following requirements:

- The IDR shall be handled by the Compliance Department under the oversight of the Executive Compliance Officer.
- Upon receipt of a complaint, the bank shall communicate to the customers within 24 hours, an acknowledgment containing:
 - a. a unique identification or tracking number,
 - b. contact details of the complaints desk,
 - c. expected resolution timeline,
 - d. escalation options; and
 - e. an assurance that the complaint is being addressed.

6.3.1 FSDH Merchant Bank shall:

- Use the unique identification or tracking number in all correspondence with the complainant.
- Ensure that staff members responsible for handling complaints declare any conflict of interest that may affect their objectivity in handling a complaint.

- Resolve complaints received within the time specified in the “**Timelines for Complaints Resolution by Financial Institutions**” in Annexure D.
 - Discharge its obligations, if any, and undertake necessary remedial actions, where required, regarding the issues arising from the complaints in line with extant regulations and the bank’s policies.
 - Send a **Summary Resolution Communication (SRC)** for resolved complaints, to the complainant by the next business day conveying:
 - ✓ the basis for the decision(s);
 - ✓ the right of appeal available to the complainant for a second level review by the bank; and
 - ✓ the right of escalation to the CBN, or other **Alternative Dispute Resolution (ADR)** avenues where the complainant is not satisfied with decisions arrived at.
- 6.3.2 A complaint shall be considered as resolved where the complainant has indicated acceptance of the resolution in writing to the bank within thirty (30) days after the receipt of the **Summary Resolution Communication (SRC)**, otherwise the complaint shall be deemed resolved and closed in the records of the bank.
- 6.3.3 Where a complainant is dissatisfied with a decision communicated by the bank, the complainant shall, within thirty (30) days from the date of the receipt of the **Summary Resolution Communication (SRC)**, request in writing for a 2nd level review. This review will be carried out by a Committee (consisting of not less than 3 senior members of staff) to be set up by the Managing Director.
- 6.3.4 Upon receipt of a request for 2nd level review, the bank shall review, resolve and communicate decision(s) within the **Timelines for Complaints Resolution by Financial Institutions** as contained in Annexure D for second level review.
- 6.3.5 Identify recurring complaint types, identify their root cause(s), implement remedial measures, and generate a **Root Cause Analysis Report (RCAR)**.
- 6.3.6 Prepare quarterly **Root Cause Analysis Report (RCAR)** and submit to the Central Bank of Nigeria on or before 14th day of January, April, July and October respectively. This report will be rendered by the Compliance Department.
- 6.3.7 The **Root Cause Analysis Report (RCAR)** shall contain the frequency of occurrence, identified root cause(s) and the remedial actions implemented.
- 6.3.8 Report complaints statistics in annual reports and the Abridged Financial Statements in line with the approved format or any other format as may be prescribed by the CBN from time to time.
- 6.3.9 The bank reserves the right to outsource complaints handling functions subject to CBN approval.

Review of Policy

This policy (and associated internal procedures if any) will be reviewed every three years (3) to ensure it continues to meet the needs of the bank and its clients and also any amendments by the Central Bank of Nigeria (CBN).

7.0 GLOSSARY

TERMS	DEFINITION
Advertisement	Information disseminated to the public through displays, exhibitions, sales promotions, publications, press releases, notices, etc.
Annual Percentage Rate (APR)	Annual rate charged for borrowing expressed as a percentage that constitutes the interest rate charged and annualized fees/charges for the tenor of the facility.
Complaint	An expression of dissatisfaction with a service rendered by the bank.
Conditions precedent to drawdown	Requirements a borrower must fulfil before accessing approved loan.
Customers	A person or an entity that uses, has used or a potential user of financial products or services of the bank.
Customers loan	Loan granted to an individual (whether secured or unsecured) for personal, family, or household purposes.
Credit contracts	Contracts for loans and overdrafts
Credit Risk Management System (CRMS)	Central credit register maintained by the Central Bank of Nigeria.
Customer engagement points	Location or medium (physical or virtual) where that has a relationship with the bank by reason of purchase of products or services offered by the bank interactions between a customers and the bank take place.
Document	Document Include contract agreements, offer letters, correspondence, etc. in hard or soft copy.
Early liquidation Fee	Amount charged by the bank when a customer pays down a loan before the agreed time.
Internal Dispute Resolution	Procedure within the bank for the resolution of customers' complaints.
Letter of Discharge	A letter issued by the bank to customers as evidence of discharge of credit obligation.
Non-credit related fees/charges	Fees and charges other than repayments of credits or other credit related obligations

GLOSSARY

TERMS	DEFINITION
Private Sale	Sale of collateral by a customer.
Physically challenged	Persons with limited capacity to undertake normal activities because of a challenge beyond their control.
Recognized ADR Institutions	The banks established by law or recognized by the CBN.
Related accounts	All accounts held by the bank in the name of a customer or with common ownership.
SME	Small & Medium Enterprises (SME) as defined by the Central Bank of Nigeria.
SME Loan	Loans granted to enterprises defined by CBN as SME.
Seniors	Elderly customers who are 60 years and above.
Summary Resolution Communication	A written communication from the bank informing a complainant that a complaint has been resolved with the option of escalation to CBN, if dissatisfied with the outcome.
Tracking Number	As defined in and generated by the Customers Complaints Management System.
Unsolicited Advertisements	Information disseminated for commercial purposes to customers without their consent.

8.0 ANNEXURE A

KEY FACTS STATEMENT
(THIS IS NOT AN OFFER OF CREDIT OR CONTRACT)

This Key Facts Statement (KFS) summarizes key information of the loan you are interested in and can be used for comparison purposes between different credit providers.

DISCLOSURE DATE: Include date at which information is correct. *This is the date at which the information is correct. Note that the final loan features may differ because of your personal financial position or due to a change in the information provided, including interest rates and fees and charges.*

THE LOAN	
Loan amount:	N -----
Tenor:	___ months / years <i>(delete whichever is not applicable)</i>
Interest rate:	___% Variable/Fixed <i>(delete whichever is not applicable)</i>
Collateral:	Yes/No <i>(delete whichever is not applicable)</i>

TOTAL COST TO CONSUMER	
Total amount you will pay back	N _____
This means you will pay back	N ----- for every N ----- borrowed
Annual Percentage Rate (APR)	_____% <i>This reflects the total cost of the credit on a yearly basis expressed as percentage, using the information at the disclosure date. It is a useful tool for comparison with similar loans</i>

Specific information about your loan	
---	--

Loan received	N
Interest rate (Variable interest rates may change)	_____%
Total interest charges (Total interest you will pay) (Total interest may increase for variable interest rates)	N
Total fees and charges* (Total other charges you will pay throughout the duration of the loan).	N
Total cost of credit (This is made up of total interest and all other charges for the tenor of the loan.)	N

Repayments	
-------------------	--

Repayment amount <i>(see attached repayment schedule)</i> Amount you will need to repay on due date	N-month/quarter for tenor of loan
---	-----------------------------------

Date of first repayment

___/___/___

Date on which other repayments are due

in each week / month for
tenor of loan after the first
repayment period

Total number of repayments

***Note that the amount required to be paid (for each repayment and total) does not include fees which are dependent on events that may not occur (for example, late payment fees)**

Fees and charges comprise of:

(A) credit prover's fees		(B) Third party fees/charges	
<i>(List all applicable lending fees)</i>		<i>(List all applicable 3rd party fees)</i>	
(1) _____	N-----	(1) _____	N-----
(2) _____	N-----	(2) _____	N-----
Total (A)	N-----	Total (B)	N-----
Total Fees and charges (A+B) N-----			

Penalties and Additional Requirements

- **Late Payment:** If a payment is more than 7 days late from the due date, you will be charged 1% flat per month on the overdue amount.
- **Early Liquidation of the Loan:** You may be charged a fee if you pay off your loan before maturity, the amount of which will depend on the terms of your contract.
- **Cooling Off Period:** You may cancel your loan contract within 3 days after signing.
- **Variations:** The interest rate, and fees and charges, disclosed here may change, including during your contract. You should receive notice of any change after your contract is entered into.

Have a complaint or a query?

Do not hesitate to reach out to your lender through the following

Telephone

Address:

Email:

If dissatisfied with the resolution of your complaint, you can escalate the complaint to the Consumer Protection Department of the Central Bank of Nigeria by writing to the Director, Consumer Protection Department, CBN, Abuja or send an email to: cpd@cbn.gov.ng.

9.0 ANNEXURE B

FORMULA FOR CALCULATING ANNUAL PERCENTAGE RATE (APR) FOR TERM LOANS OF ONE YEAR AND ABOVE

$$APR = \frac{2nc}{P(N+1)}$$

Where:

n = Number of payment periods in 1 year

c = Total cost of the loan made up of total interest payments and all other fees charges (including third parties' charges such as insurance etc.)

P = Principal or net amount borrowed

N = Total number of payments to pay off the loan

10.0 ANNEXURE C

FORMULA FOR CALCULATING ANNUAL PERCENTAGE RATE (APR) FOR OVERDRAFTS AND OTHER SHORT TERM LOANS BELOW 1 YEAR:

$$APR = \frac{C}{L} \times \frac{365}{t}$$

Where:

C = Total cost of the loan made up of total interest charge and all other fees charges (including third parties' charges such as insurance etc.)

L = Loan amount

t = Tenor in days

Assumptions:

For overdraft facility, the limit is assumed to be taken as a whole on day 1.

11.0 ANNEXURE D

TIMELINES FOR COMPLAINTS RESOLUTION BY BANKS

Category	Sub-Category	CCMS Code	1st Review (working days)	2nd review (working days)
Account Management	Account Closure without notice	A001	2	1
	Account Details Maintenance	A002	2	1
	Account Statement Issues	A003	2	1
	Account Status	A004	2	1
	Cheque Issues	A005	2	1
	Corporate Search	A006	2	1
	Delay in honouring Standing Instruction request.	A007	2	1
	Non-reflection of Cash/Cheque Deposits in Customer Account	A008	2	1
	Account Closure Delays	A009	2	1
	Account Freeze Complaint	A010	2	1
	Account Reactivation Delays	A011	2	1
	Account to Account Transfer Delays (Same bank)	A012	2	1
	Cheque Confirmation Complaints	A013	2	1
	Cheque Return Complaint	A014	2	1
	Account Alert Issues (SMS and e- mails)	A015	2	1
	Wrong Account Lien	A016	2	1

Category	Sub-Category	CCMS Code	1st Review (working days)	2nd review (working days)
	Cheque Return Request	A017	2	1
	Bills Payment and collection	A018	2	1
	Others	A999	2	1
Cards	Card Activation	B001	3	2
	Card Deactivation	B002	3	2
	Card Issuance	B003	3	2
	Card Functionality	B004	3	2
	Charges/Rates Issues	B005	3	2
	Chargebacks / Claim local (not on us)	B006	5	3
	Chargebacks / Claim local (on us)	B007	3	2
	Chargebacks / Claim international (not on us)	B008	60	30
	Chargebacks / Claim international (on us)	B009	50	25
	Credit card contract migration	B010	3	2
	Card PIN Issues	B011	3	2
	Limit Maintenance	B012	3	2
	Repayment Issues	B013	3	2
	Card Statements Issues	B014	3	2
	Missing card	B015	3	2
	Card Modifications	B016	3	2
	Card Account(s) Link complaints	B017	3	2
	Billing address Issues	B018	3	2
	Card Blockage Issues	B019	3	2

Category	Sub-Category	CCMS Code	1st Review (working days)	2nd review (working days)
	Declined Transactions	B020	3	2
	Others	B999	3	2
Loans	Loan Application Issues	C001	14	7
	Loan Repayment Issues	C002	14	7
	Loan Insurance	C003	14	7
	Concessions Issues	C004	14	7
	Delayed delivery of financed assets	C005	14	7
	Loan Liquidation issues	C006	14	7
	Loan Restructuring issues	C007	14	7
	Loans Interest Rate Review Complaint	C008	14	7
	Others	C999	14	7
Fraud	Conversion of Cheque/Deposit	D001	60	30
	Scam Mails	D002	3	2
	Fraudulent Withdrawals	D003	14	7
	Internet Banking Fraud	D004	3	2
	ATM Fraud (Domestic)	D005	3	2
	ATM Fraud (International)	D006	60	30
	Cash/Cheque Suppression	D007	60	30
	Cheque Cloning	D008	60	30
	Others	D999	3	2
Excess Charges	Excess Fees and charges	E001	30	15
	Excess Interest on loan	E002	30	15
	Others	E999	14	7

Category	Sub-Category	CCMS Code	1st Review (working days)	2nd review (working days)
Funds Transfer / Remittances	Western Union Money Transfers	F001	5	3
	MONEYGRAM Transfers	F002	5	3
	Funds transfer charges	F003	5	3
	Delayed / Inward Transfers	F004	5	3
	Wrong Customer / Beneficiary details	F005	5	3
	Delayed TELEX/Swift Request	F006	5	3
	Intrabank Transfer Failure	F007	1	1
	Wrong Account Credit	F008	1	1
	Wrong Account Debits	F009	1	1
	Others	F999	1	1
Bonds, Guarantees and Indemnities	Dishonoured Guarantees	H001	3	2
	APG Issues	H002	3	2
	Performance Bonds	H003	3	2
	Other Contingent Issues/Indemnities	H999	2	1
Tenured Investment	Non /Underpayment of interests on investments	I001	5	3
	Roll over issues	I002	5	3
	Non-booking of deposits	I003	5	3
	Non issuance of contract letters	I004	5	3
	Others	I999	2	1

Category	Sub-Category	CCMS Code	1st Review (working days)	2nd review (working days)
E-channels	Non-functional ATM	J001	3	2
	Non-functional POS	J002	3	2
	POS Receipt/Slip Issues	J003	3	2
	Trapped Card	J004	3	2
	ATM Cash Dispense Error claim - OWN BANK	J005	3	2
	ATM Cash Dispense Error claim (Other Banks)	J006	3	2
	Mobile Banking Issues	J007	3	2
	Charges on non-receipt of transaction alerts	J008	3	2
	Password Reset Issues	J009	3	2
	Account Unlock	J010	3	2
	Login Issues (Password/User ID Issues)	J011	3	2
	Online Transaction Limit	J012	3	2
	OTP generation Issues.	J013	3	2
	Registration issues	J014	3	2
	Failed transaction(WEB / POS)	J015	3	2
	Other POS issues	J016	3	2
	Internet Banking Account View Inability	J017	3	2
	Internet Banking Account(s) Link Request	J018	3	2
	Internet Banking Funds Transfer Failure	J019	3	2
	Others	J999	2	1

Category	Sub-Category	CCMS Code	1st Review (working days)	2nd review (working days)
International Trade	Capital Importation Issues	K001	2	1
	Export Issues	K002	2	1
	Form A	K003	2	1
	Form M	K004	2	1
	Delays in confirmation of duty payment to port	K005	2	1
	Letter of Credit	K006	2	1
	Shipping Documents	K007	2	1
	Bills for collection	K008	2	1
	CRI Issues	K009	2	1
	International Banking Fraud (Not on us)	K010	60	30
	International Banking Fraud (on us)	K011	50	25
	Others	K999	2	1
Miscellaneous		Z	2	1