



Internal Disputes Resolution (IDR) Policy

Owner:	Chief Compliance Officer
Approving Body:	Bank Management Committee
Date Approved:	November 27, 2020
List of Recipients:	All Staff

Introduction

1. All banks in Canada are required to implement a process to handle complaints from their consumers about their products and services. This includes the following:
 - a. designating an officer or employee in charge of implementing the procedures,
 - b. designating at least one officer or employee in charge of receiving and dealing with those complaints, and
 - c. issuing procedures written in language that is clear, simple, and not misleading.
2. Banks must file a copy of their complaint handling procedure with the Financial Consumer Agency of Canada (FCAC) and make the procedure available as a brochure in their branches where products or services are offered in Canada. Banks shall also:
 - a. provide information on how consumers may contact FCAC,
 - b. include access to an external complaints body responsible for dealing with customer complaints that have not been resolved to their satisfaction through the institution's complaint handling procedure,
 - c. post the procedure on their websites offering products or services in Canada, and
 - d. send the procedure in writing to anyone who requests it.
3. In accordance with section 10 of *Complaints Regulations*, a bank must give the Commissioner written notice at least 90 days in advance before making a change in its external complaints body.
4. FCAC expects institutions to refile a copy of their complaint handling procedure when a significant change to its procedure has been made.
5. According to the *Complaints Regulations*, banks must make the following information available to the public on an annual basis:
 - a. the number of complaints addressed by the officer or employee designated by the bank or authorized foreign bank to deal with complaints who holds the most senior position identified for that purpose in the procedures established by the bank or authorized foreign bank,
 - b. the average length of time taken by that officer or employee to deal with the complaints, and
 - c. the number of complaints that, in the opinion of the bank or authorized foreign bank, were resolved by that officer or employee in accordance with those procedures to the satisfaction of the persons who made the complaints.
6. A "Reportable Complaint" is a complaint involving a market conduct obligation (i.e. a legislative provision, a voluntary code of conduct or a public commitment), that has been received by, or forwarded to the reportable level, or higher, designated by the financial institution's complaint handling procedure. The "reportable level" is one level higher than the one that routinely handles and makes operational decisions about the subject matter. The reportable level may vary, based on an institution's operational profile.

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7. FCAC reviews aggregate complaints from financial institutions. All banks must record the findings of its investigation of every consumer complaint related to a market conduct obligation using the template provided in the “Reportable complaints summary report for consumer provisions”. The relevant legislation, i.e., Section 5(1), 5(3) and 5(5) of the FCAC Act, permits FCAC to request detailed information on individual complaints.
8. A reportable complaint must be forwarded to FCAC even though:
 - a. the consumer has also contacted FCAC,
 - b. the consumer is satisfied with the outcome of the complaint,
 - c. the complaint was received internally at the reportable level or higher but then sent to a lower level of the complaint handling process for response or resolution,
 - d. the complaint was received at the reportable level of the complaint handling process and was resolved directly, or
 - e. the institution concluded it had complied with its obligations to consumers.
9. Reportable Complaints Aggregate Report must be submitted to FCAC as per the following deadlines as provided in FCAC’s Mandatory Reporting Guide for FRFIs:
 - a. April 1 to June 30: August 31
 - b. July 1 to September 30: November 30
 - c. October 1 to December 31: March 2
 - d. January 1 to March 31: May 31

Purpose

10. This Internal Dispute Resolution (IDR) Policy, the “Policy” has been implemented by SBI Canada Bank, hereinafter referred to as “SBIC” and the “Bank”, to comply with the following requirements, hereinafter referred to as the “Applicable Requirements”:
 - a. Bank Act and associated Regulations¹,
 - b. Code of Conduct,
 - c. Public Commitments,
 - d. FCAC Supervision Framework, and
 - e. FCAC CG-12 Internal Dispute Resolution.
11. The IDR Policy also assists the Bank in making its operations & processes consistent with the Applicable Requirements.

¹ For easy reference, a list of Regulations, code of conduct, and public commitments overseen by FCAC is available at the following link: <https://www.canada.ca/en/financial-consumer-agency/services/industry/regulated-entities/banks-federal-credit-unions.html>

Scope

12. For the purpose of this Policy, the term “complaint” means a complaint made by a person through any communication channel used by the Bank such as phone, email, and social media
- to the Bank about a product or service that was requested or received by the person from the Bank;
 - to the Bank involving a market conduct obligation, i.e., legislative provision, a voluntary code of conduct, or a public commitment, or
 - to an external complaints body about a product or service that was requested or received by the person from the Bank.

Objectives

13. SBIC believes in providing the best possible services to its customers and therefore, processes are required to be oriented to conduct business in an optimal manner that avoids customer complaints. This Policy aims to fulfill the following objectives:
- All customer complaints are investigated in an objective, fair, and timely manner. The Bank will make reasonable efforts to resolve every complaint within 30 days from the date of receipt of such complaints and latest within 90 days².
 - Reasonable efforts are made to resolve complaints to the satisfaction of the customer.
 - Systemic weaknesses are identified³ for implementation of remedial solutions, as required.
 - Staff members are competent to handle complaints and disputes.
 - Regulatory Disclosure are made in an accurate and timely manner.

IDR Organizational Structure

14. The Bank has implemented an organizational structure with adequate resources and experienced personnel which is conducive to quick resolution of disputes in an optimal and cost-effective manner.
15. The Head, Retail Banking has been designated as the Complaints Handling Officer (CHO). The CHO is responsible for implementing this Policy and associated procedures in the Bank. The CHO reports directly to the President & CEO.
16. The CHO shall work in close co-ordination with the Chief Compliance Officer (CCO), Chief Operating Officer (COO), AVP(S&T), Chief Risk Officer (CRO), and branches of SBIC.
17. The Branch Compliance Officers (BCOs) are designated as Branch Complaints Handling Officers (BCHO's).

² FCAC expects Federally Regulated Financial Institutions (FRFI's) to provide substantive response to the client within 90 days.

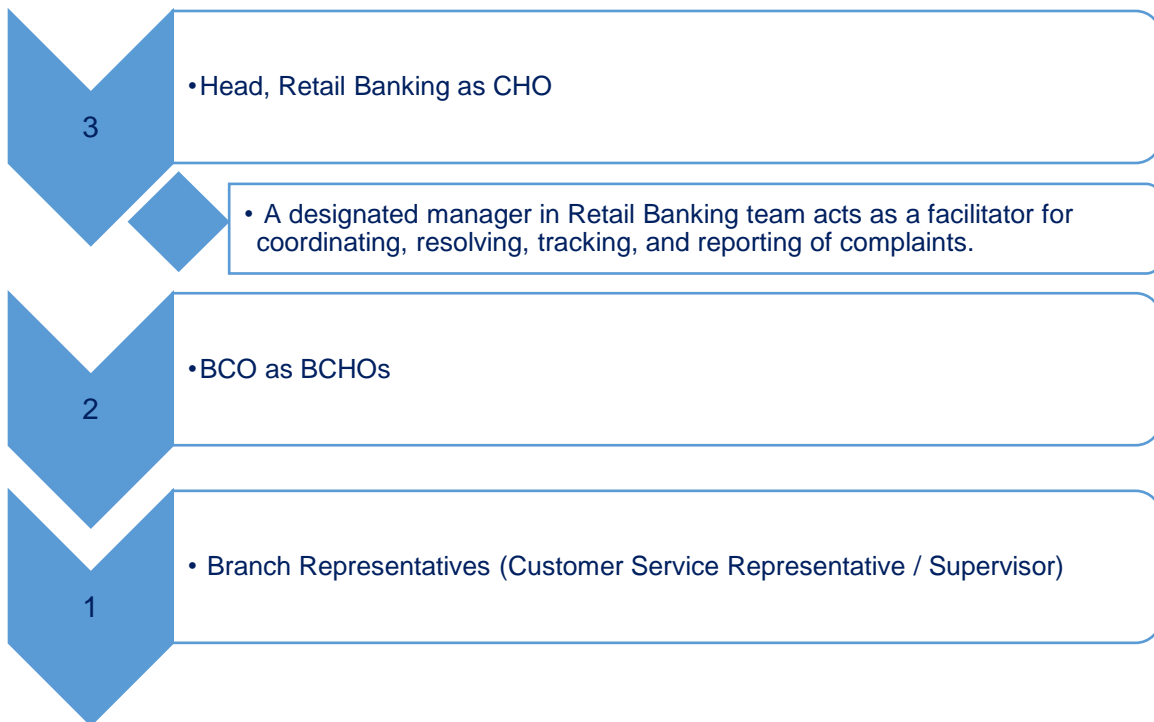
³ The Compliance and Operations teams will assist the CHO in identifying systemic weaknesses, as required.

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18. The Branch Heads are responsible for overseeing that the BCOs effectively discharge their roles as BCHOs in accordance with this Policy and associated procedure.
19. The Bank Management Committee (BMC) shall approve and monitor the IDR procedures/process of the Bank through periodical reports.
20. The Audit Committee of the Board (ACB) supervises and authorizes “Annual reporting to Public”. This yearly disclosure statement shall be posted on SBIC’s website at annual intervals. The annual reporting pertaining to a Financial Year shall be posted on the website within 90 days of closing of that financial year. For example, the Disclosure Statement of Financial Year 2019 shall be placed on the website latest by March 31st, 2020.
21. In accordance with Section 4 of the *Complaints Regulations*, the annual disclosure statement shall contain the following information:

Annual Statement of Complaints	
Period: January 1, YYYY to December 31, YYYY	
Total Number of Complaints Received	
Total Number of Complaints Resolved	
Average time taken for resolution	

22. The Bank has implemented a 3-tiered structure for resolution of complaints.



IDR Procedures

23. The IDR Procedures shall be reviewed at a minimum on a biennial basis and as and when required due to any change in the Applicable Requirements, including but not limited to FCAC guidelines. The IDR procedures and any amendments required from time to time that may be mandated due to change in the Applicable Requirements, shall be proposed by the CHO and approved by the P&CEO, COO and CCO.

MONITORING & REPORTING

Tracking of Complaints

24. All complaints received by the Bank shall be tracked by the CHO. The CHO provides a verbal update on the complaints received during a month in the monthly meetings of the RMC and provide a summary of all complaints received during a quarter to the RMC for review.

Aggregate Complaints Report

25. Each complaint received by the Bank will be examined by the CHO to identify whether it involves a consumer provision, or an FCAC targeted code of conduct or a public commitment. The CHO shall determine in accordance with the FCAC guidance whether a complaint is reportable to FCAC. If required, guidance regarding determination whether a complaint is reportable shall be provided by the CCO.

26. The CHO will submit the Aggregate Reportable Complaints Report to FCAC.

27. A reportable complaint must be forwarded to FCAC even in the following conditions:

- a. the consumer has also contacted FCAC
- b. the consumer is satisfied with the outcome of the complaint
- c. the complaint was received internally at the reportable level or higher but then sent to a lower level of the complaint handling process for response or resolution
- d. the complaint was received at the reportable level of the complaint handling process and was resolved directly
- e. the Bank concluded it had complied with its obligations to consumers

Reporting to the Board

28. The CHO shall submit a statement of complaints every half year for review of the Audit Committee of the Board (ACB). This statement inter-alia shall consist of an analysis & classification of complaints, status of resolution, the average time taken for their redressal, and the level of escalation, if any.

Public Complaints Information

29. The Public Complaints Information shall be disclosed in public domain by placing the information on SBIC's website on an annual basis. The annual reporting pertaining to a Financial Year shall be posted on the website within 90 days of closing of that financial year.

Policy Review

30. This Policy shall be reviewed biennially. However, if any changes are required due to legislation, Compliance framework or change in guidelines of FCAC, the policy shall be revised accordingly. If any changes are made in the IDR policy and / or the IDR procedures, in accordance with the Applicable Requirements, including the Bank Act, section 455.2, SBIC shall provide a copy of the amended IDR policy and IDR procedure to FCAC for information.

Others

31. The Bank will provide the complainant a copy of its complaint resolution brochure on request.

32. Where complaints are received by email / mail, the customer will be sent a copy of the complaint resolution brochure by email / mail.

33. If a complaint is received over telephone, the customer will be advised about how to contact FCAC and will be informed about Complaint Resolution Brochure available on Bank's website.

34. The complaint resolution brochure contains details of how to contact FCAC.

35. If a customer is not satisfied with the resolution provided by the Bank, he or she has the right to escalate his / her complaint to an external complaints body. When the customer escalates the complaint to the external complaints body and the customer provides the external complaints body his /her consent for the Bank to release information about the complaint, the Bank will provide the external complaints body with all the information that relates to the said complaint.

36. If the Bank wants to change the "external complaints body" of which it is a member, the Bank shall provide a written notice of request to both FCAC and the "external complaints body" of minimum 90 days, before effecting such change of membership.

37. All the information provided by the Bank to clients, external complaint body(ies) and FCAC will be in clear, simple and plain language and shall be in compliance with the "Clear Language Policy" of the Bank.

38. Timelines

- a. An acknowledgement will be provided to the Customer at the earliest, but not later than 7 days, as per the format attached at Annexure 1.
- b. Reasonable efforts will be made to resolve every complaint within 30 days from the date of its receipt and latest within 90 days.
- c. There may be some instances, where due to systemic issues or any extraneous factors beyond the control of the Bank, the complaint cannot be resolved within the targeted time of 90 days. In such circumstances, the respective Branch Head or BCHO or the CHO will keep the complainant informed about the status of his complaint at monthly intervals. In such circumstance, the complainants will be advised about their right to escalate the complaint to FCAC or to the External Complaints Body and also advise them the anticipated time it might take for the Bank to complete the investigation and provide a substantive response.

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- d. At any time during the period of the first 90 days, upon request of the complainant, the respective Branch Head or BCHO or the CHO shall provide information about the current status of the complaint.
- e. The resources required for implementation of this Policy will be re-evaluated and recommended by the CHO and approved by the P&CEO or ACB.
- f. The bank shall keep a record of all complaints to facilitate analysis of complaints and compilation of historical information.

Staff Training

- 39. All staff members shall be trained and familiarized with the Policy and associated procedures.
- 40. The CHO shall drive the IDR process at the Bank. The IDR at the Branches is driven by the BCHOs under the overall guidance of the CHO.
- 41. Refresher training will be provided to all staff members by the CHO on annual basis. The training module will be reviewed as per the feedback given by the employees during the Training exercise/ or on an annual basis if there is any change / amendment in this policy document.
- 42. Apart from the refresher training, instructions will be issued to branch managers, as required, for dissemination among employees. In addition, the IDR Policy is placed on the Policy Drive of the Bank which is accessible to all employees.

Annexure 1: Format of initial response to be provided to complainants

To

Name of Complainant,

Address

Date:

Dear Sir / Madam,

We are in receipt of your complaint dated regarding..... (Issue to be mentioned).

- a. Any inconvenience which may have been caused to you is deeply regretted.
- b. Your complaint is being investigated at our end and we will advise you of the outcome soon.
- c. Please find attached a copy of our “Complaint Resolution Brochure”. A copy of our “Complaint Resolution Brochure” is also available on our website www.sbicana.com
- d. The Complaint Resolution Brochure guides you about the complaint resolution procedure in the Bank.
- e. The Complaint Resolution Brochure also includes details of how to contact the Financial Consumer Agency of Canada (FCAC), Ombudsman for Banking Services and Investments (OBSI) and Office of the Privacy Commissioner of Canada (OPCC), if necessary.
- f. In case you want a status update on your complaint, we will provide the same upon your written request.

We re-assure you of our best services at all times.

Yours faithfully,

Branch Manager

Name and address of the branch

(*May be suitably modified based on the complaint)