

HSBC Bank Armenia CJSC Customer Complaint handling procedure

The scope of the subject procedure is the establishment of general rules and procedures for the handling of Customer Complaints.

Complaint should be considered as any expression of dissatisfaction by or on behalf of a client about provision of, or failure to provide a financial service by HSBC Bank Armenia CJSC (the Bank) which;

- ▶ alleges financial loss, regulatory/compliance breach or any other material problem,
- ▶ is handed by the customer to any branch of the Bank, has been sent by mail or received at hsbc.armenia@hsbc.com e-mail address

Proper handling of customer complaints is of paramount importance, since it safeguards the legitimate interests of customer and as a consequence:

- ▶ the Bank's good reputation is protected
- ▶ the Bank avoids possible civil actions by customers.

Customers who are willing to present a complaint to the Bank should be:

- ▶ verbally informed that the complaint is considered to be presented only if it is handed by the Customer to any branch of the Bank, has been sent by mail or received at hsbc.armenia@hsbc.com e-mail address,
- ▶ informed that the Customer is authorized to receive the Bank's internal Procedure on Handling Customer Complaints,
- ▶ told the name and the contacts of the Bank employee with whom the Customer can liaise regarding any enquiries about the complaint,
- ▶ provided with the Explanatory Bulletin on Dispute Resolution (Appendix 1),
- ▶ provided with the Summarized Bulletin on Handling Complaints (Appendix 2),
- ▶ provided with the Complaint Presentment Form (Appendix 3).

In cases when the complaint is received on the e-mail address mentioned above, the Bank shall immediately, but not later than the next business day send a message (receipt) to the Customer's e-mail address from which the complaint has been received mentioning the date on which the complaint has been received, the complaint identification number as well as the information stipulated in the previous paragraph (except for Appendix 3).

In cases when the complaint is handed by the Customer in any Branch of the Bank the Bank employee should fill in and provide to the Customer the receipt available in the bottom of the Complaint Presentment Form, which should include the complaint identification number and the name and the contacts of the Bank employee with whom the Customer can liaise regarding any enquiries about the complaint.

In cases when the telephone conversation with the Customer regarding the complaint is recorded the Customer should be notified about that fact in advance.

The Explanatory Bulletin on Dispute Resolution (Appendix 1), the Summarized Bulletin on Handling Complaints (Appendix 2) and the Complaint Presentment Form (Appendix 3) should always be available on the Bank's website as well as visibly hanged in the branches.

Customers who believe that the service(s) offered to them are not of sufficient high quality or that there is something wrong in their relationship with the Bank, can bring the issue to the attention of the Bank's relevant staff.

Staff are encouraged to deal with a verbal complaint as soon as a customer mentions his dissatisfaction, and must try to resolve the complaint immediately. A clear distinction must be made between complaints which allege financial loss, material distress and material inconvenience, and complaints arising from a minor error which can be remedied promptly. There is no requirement to follow these procedures where the verbal complaint has not resulted in any financial loss, material distress or material inconvenience, but is the result of an administration error which can be classified as minor and has been resolved to the satisfaction of all involved parties within 48 hours.

However, if a verbal complaint cannot be resolved easily within 48 hours the Customer should be contacted and offered to present a written complaint according to the current procedure.

Each Branch/Department should record all complaints addressed to them in the appropriate Complaint Register, which should include:

- ▶ complaint identification number (using MY*0900* format),
- ▶ name/account number of the complainant,
- ▶ date when the complaint has been received,
- ▶ substance of the complaint,
- ▶ name of the employee responsible for the complaint handling,
- ▶ any correspondence between the Bank and the complainant, including how the complaint was resolved,
- ▶ any reimbursement offered by the Bank, how it has been calculated and the response of the complainant to this offer,
- ▶ date of the Bank's response.

Customer complaints must be investigated thoroughly and promptly by an independent person, as they may indicate that service/procedural deficiencies or ineffectiveness have arisen. Another important reason for paying good and prompt attention to customer complaints is that they may be the first indication of serious irregularities or fraud.

An employee must never handle a complaint made against him/her. All complaints must be owned by the relevant branch/department Managers. If a complaint was made against branch/ department Manager, it should be handled by the respective business head.

Where litigation is threatened or instigated, the Compliance Officer and/or in-house legal adviser should be informed as early as possible and advice sought.

Managers responsible for complaints handling must:

- ▶ arrange a record of the complaint in the register,
- ▶ try to resolve the complaint and arrange the response to the customer as soon as possible,
- ▶ make all efforts to resolve the complaint within 10 business days from the date of the receipt,
- ▶ if the complaint is not resolved within 10 business days, a hold mail should be sent to the Customer, which should include the reasons for the delay and the date of the final response.

The outstanding complaints must be reviewed weekly by responsible Managers. All outstanding issues over 10 business days must be notified to the Bank's respective business heads.

The responses to the Customers should be sent to the addresses or via telecommunication means mentioned by them. The response should be in Armenian, except for cases when another language has been agreed between the Bank and the Customer.

The final response sent to the Customer by the Bank should at least include the following information:

- ▶ the Bank's explicit position to satisfy, partially satisfy or to decline the complaint,
- ▶ the reasoning for the appropriate decision,
- ▶ the name and contact information of the employee/department responsible for the handling of the complaint,
- ▶ information that in case of any questions regarding the outcome of the complaint the Customer can contact the responsible employee/department,
- ▶ information, that if not satisfied by the written response the Customer in order to protect his/her rights can apply to the court, to the Ombudsman of Financial System (certain restrictions apply), to the Central Bank or to the court of arbitration if appropriate arbitration agreement is available.

Customer complaints register must be reviewed on a quarterly basis by the Manager Internal Audit/ Compliance to ensure that all customer complaints have been resolved and/or outstanding complaints are being dealt with.