

Misselling Policy

Overview

In the present competitive scenario, clear customer communication by Sales Executives and DSAs is an important tool for sustained business growth. Our Relationship Managers/DSAs play a pivotal role in selling our products. Proper communication to the customer is critical towards adhering to the Treating Customer Fairly (TCF) principles; keeping this in mind, we have created a structured misselling mechanism to help reduce instances of misselling.

Applicability

This policy applies to all Sales Executives/ Sales Managers (SM) of Aditya Birla Housing Finance (ABHFL) and all DSAs, channel partners affiliated with ABHFL.

Complaint Assessment

All complaints will be assessed based on Customer inputs/sales /service / others feedback towards the DSA/SM as applicable. Based on the frequency of complaint, this will be evaluated by the committee for validity as defined below.

Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles. Decision once reached, will be communicated to the DSA/Sales Executive and in case the executive still has an issue on the same, he can raise it to the Chief Business Officer or Head – Risk / Head - Compliance for further review. Decision once taken by this team will be considered final.

Complaints that require some time for examination of issues involved will be acknowledged promptly.

Misselling Grid

The below grid is the guideline to be followed but basis severity / frequency or any other parameter as decided by the stakeholders, the penalty levied can be upgraded to as high as deemed necessary:

Misselling Penalty Grid for Aditya Birla Housing Finance Employees					
Level	No. of Instances	Penalty	Issued by	Issued to	Decision Authority
One	1st instance of false promise from the Sales Executive	Warning letter to be issued & Rs. 10,000/-* penalty to be levied to Sales executive.	HR	Sourcing Staff	Zonal Business Head, Zonal Risk Head, HR, Chief Manager - SG
Two	2nd instance of false promise from the same Sales Executive	Warning letter to be issued & Rs. 10,000/-* penalty to be levied to Sales executive. Fraud Control Unit will investigate the matter.	HR	Sourcing Staff	Zonal Business Head, Zonal Risk Head, HR, Chief Manager - SG

Three	3rd instance of false promise from the same Sales Executive	The executive will be terminated and commission paid/ to be paid on the said case to be recovered/not included in the incentive. Fraud Control Unit will investigate the matter.	HR	Sourcing Staff	Zonal Business Head, Zonal Risk Head, HR, Chief Manager - SG
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If penalty levied to be deducted is more than commission/incentives earned in the current month, the Zonal Head can use his/her discretion to deduct the differential amount as and when further commission is accrued in future.

The above grid is the guideline to be followed but basis severity / frequency or any other parameter as decided by the stakeholders, the penalty levied is subject to decision of the committees.

Misselling/Fraud Penalty Grid for DSA, Channel Partner					
Level	No. of Instances	Penalty	Issued by	Issued to	Decision Authority
One	1st instance of false promise reported against the DSA / Channel partner/ Instance of Fraud	Cautionary letter to be issued to DSA Principal, financial penalty to be decided by the committee	Sales Governance Team	Service Provider Principal	Zonal Business Head, Zonal Risk Head, Chief Manager - SG
Two	2nd instance of false promise reported against any DSA / channel partners/ Instance of Fraud	Cautionary letter issued to the Principal, payout for the said file not be paid/ amount to be recovered as per the decision of the committee. Additional penalty can be levied basis the decision of committee.	Sales Governance Team	Service Provider Principal	Zonal Business Head, Zonal Risk Head, Chief Manager - SG
Three	3rd instance of false promise reported against any DSA / channel partners/ Instance of Fraud	Termination notice will be issued to the DSA.	Sales Governance Team	Service Provider Principal	Zonal Business Head, Zonal Risk Head, Chief Manager - SG

If multiple complaints with respect to mis-selling are received within the first 6 months of any channel empanelment, the channel may be terminated by Sales Governance team at that instance itself in concurrence with the committee.

The above grid is the guideline to be followed but basis severity / frequency or any other parameter as decided by the stakeholders, the penalty levied is subject to decision of the committee.

Information Sharing

All cases of misselling will be kept on record by Fraud Control Unit. A list of negative/blacklisted DSAs/FOS/SMs/Referral Partners will be kept ready for de-dupe.

Customer Remedy

After a decision has been made, appropriate measures will be taken by the company to help remedy any/or all operational losses incurred. This will be done post approval from CBO/Head Risk as required.

Complaint redressal policy as defined and uploaded on our website can be referred to for approach mechanism.

The aforesaid policy will be revised as and when there are any new changes incorporated by ABHFL in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

Communication Guidelines

It is imperative that in all communications being sent to the potential clients and partners, the same must only contain standard product features as defined / mentioned in the communication templates as circulated by the product and marketing team only.

Any alteration to such communication soliciting sale needs to be approved by central team (i.e. Products & Marketing) before roll out.

Any deviations to this may be considered for strict punitive action based on evaluation by the CBO and / or Head Risk / Head Compliance / HR.