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Central Bank of Bahrain

Customer Complaints Report

April 2016

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Production: Compliance Directorate

Central Bank of Bahrain

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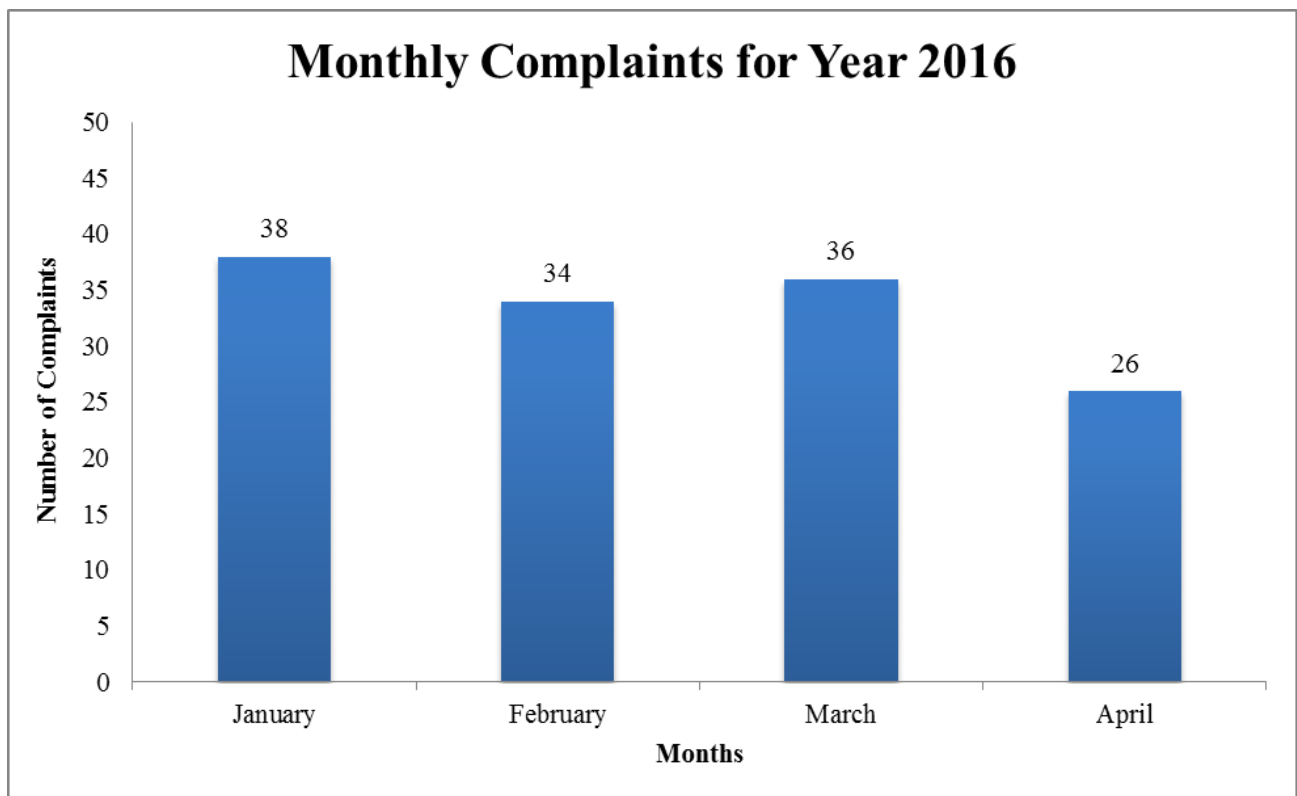
The Customer Complaints Report is a monthly report prepared by the Compliance Directorate. It is available in PDF format in the Publications and Data section at <http://www.cbb.gov.bh>.

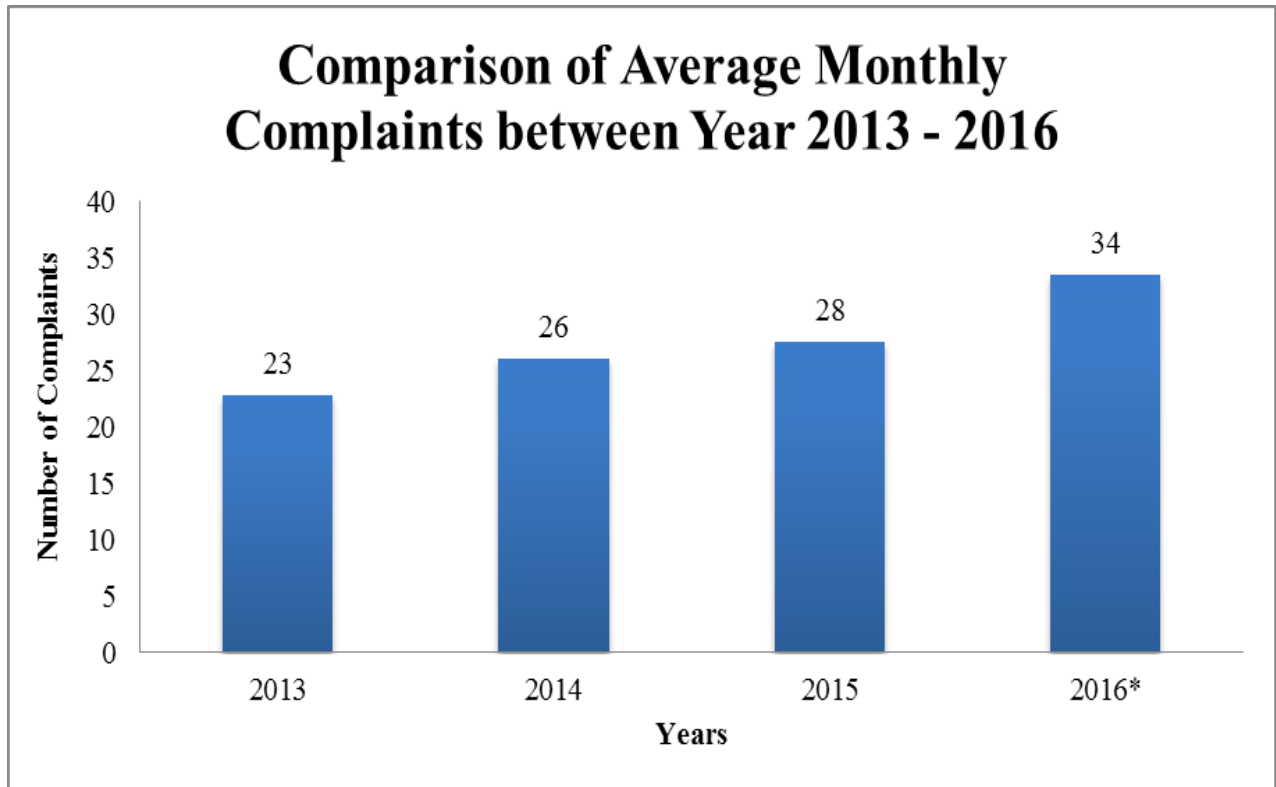
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1. Introduction

Based on the complaints received between 1st January - 30th April 2016, the number of complaints received in January were 38 complaints, 34 complaints in February, 36 complaints in March and 26 complaints in April leading to an average of 34 complaints received during the first four months of 2016. Compared to the average monthly complaints of previous years, the monthly average of 2016 exceeded previous numbers, where the monthly average was 28 complaints in 2015, 26 complaints in 2014 and 23 complaints in 2013.





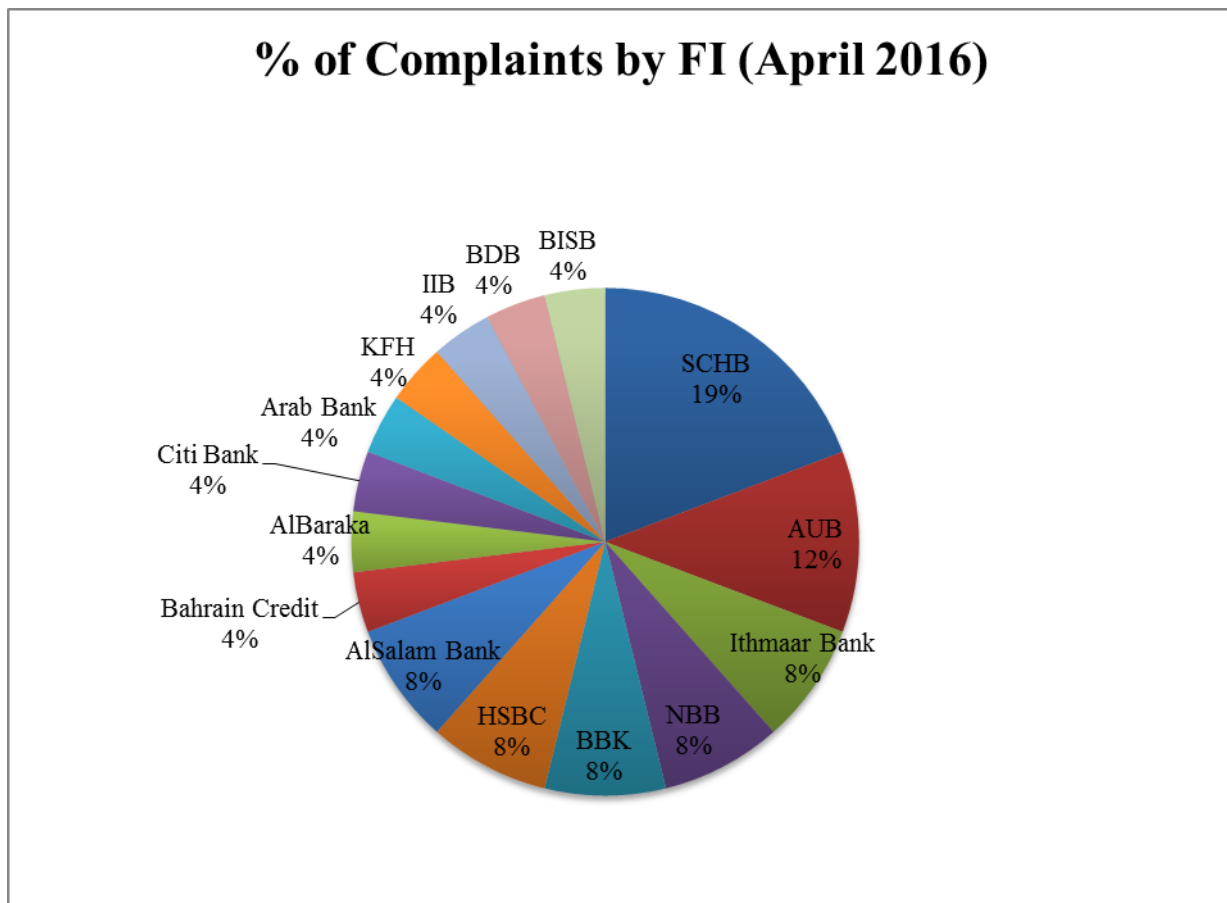
**Average number of complaints between January - April 2016.*

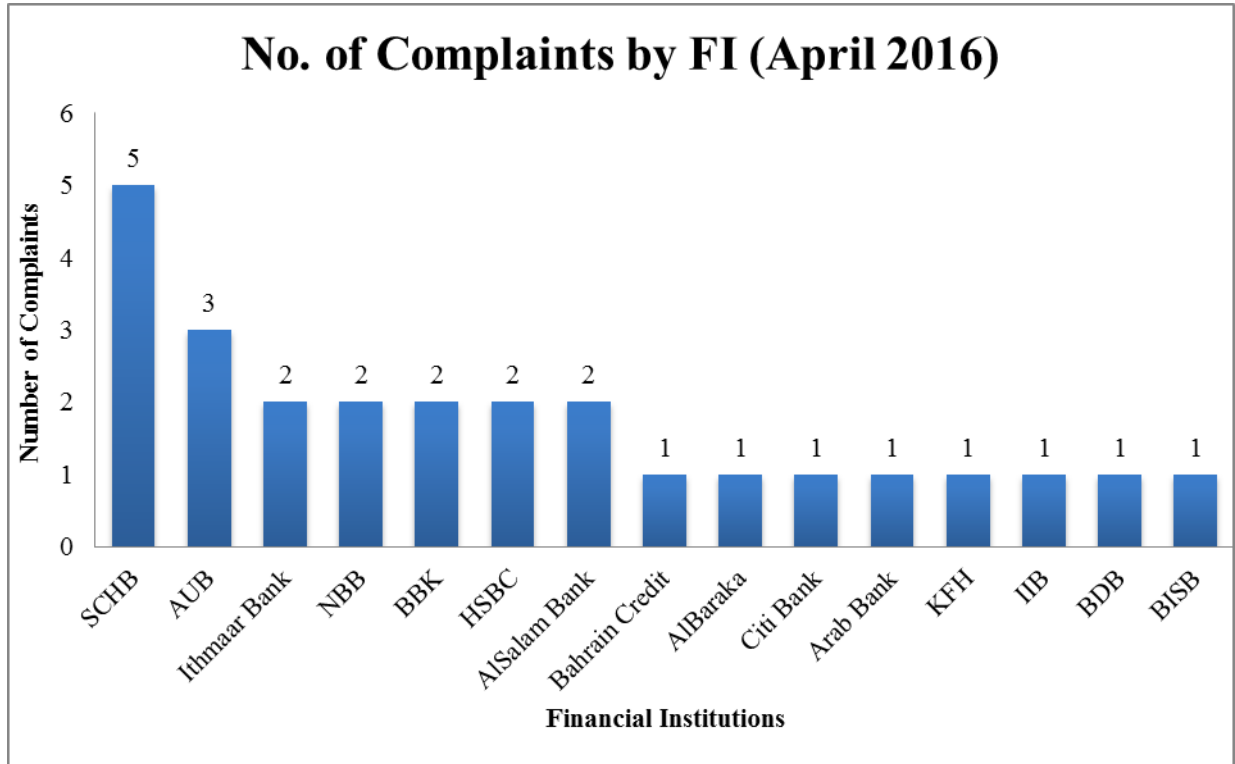
2. Concentration of Complaints by Financial Institution (FI)

The majority of complaints received during **April 2016** were reported with respect to the following banks:

- SCHB - 5 complaints, representing 19% of total complaints.
- AUB - 3 complaints, representing 12% of total complaints.

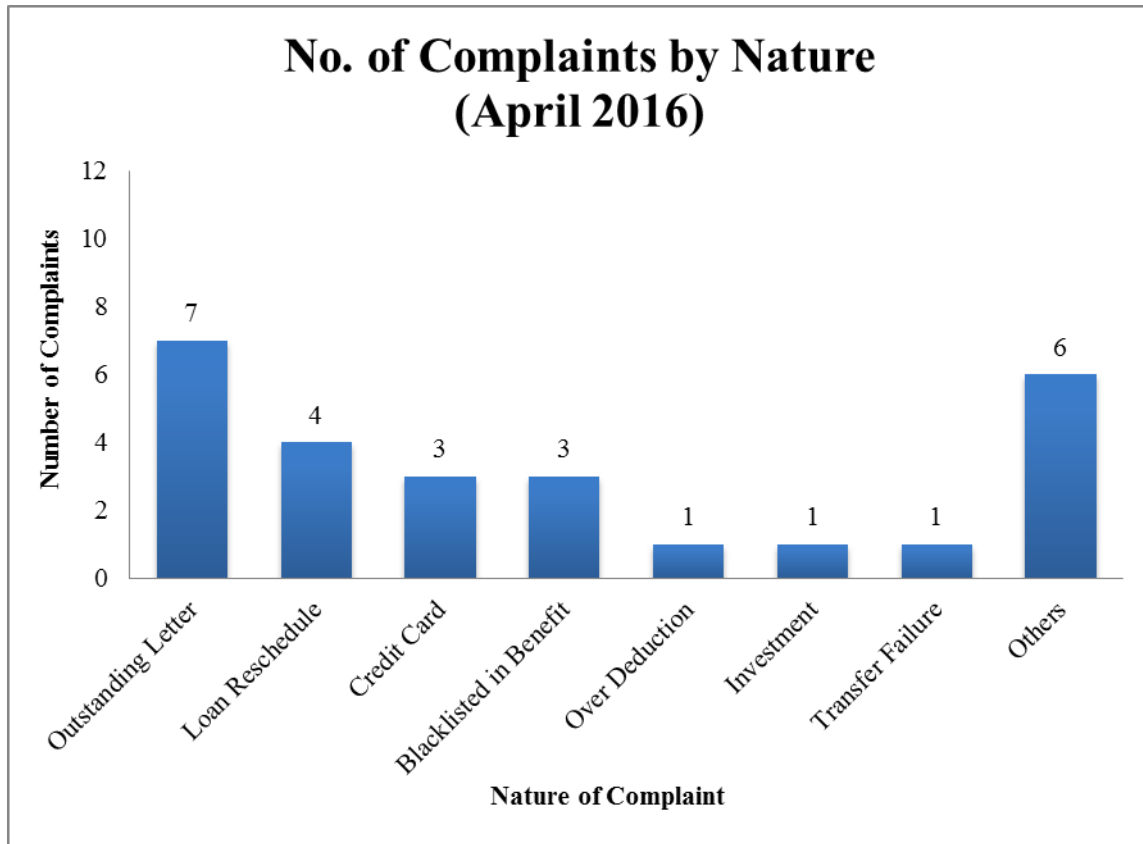
The abovementioned two financial institutions represent 31% of total complaints.





3. Nature of Complaints

The following chart demonstrates the nature of complaints received by the Compliance Directorate “CD” during the month of April 2016:



Following are detailed classifications on the nature of the complaints:

3.1 Outstanding Letter:

The CD received 7 complaints (27% of total complaints) concerning delayed outstanding letters for the customers. This is related to the delay by banks or financial institutions accommodating customer’s request with respect to reviewing loan outstanding letters. Such complaints were specific to Al Salam Bank, AUB, HSBC, Ithmaar Bank and KFH.

3.2 Loan Reschedule:

The CD received 4 complaints (15% of total complaints) regarding the reschedule of existing loans for a longer period due to high monthly installments and difficulties in payment. Complaints regarding loan reschedule were mainly specific to Al Salam Bank, AUB, NBB and Citibank.

3.3 Credit Card:

The CD received 3 complaints (12% of total complaints) regarding credit cards services which consist of fees charged on the customer and deduction of balance without the customer's prior knowledge. Complaints regarding credit card services were specific to SCHB.

3.4 Blacklisted in Benefit:

We received 3 complaints (12% of total complaints) regarding customers being blacklisted on the benefit list due to previous defaults on loans and credit card payments. In such cases, banks deny granting blacklisted individuals new loans even after honoring all payments of all outstanding debt. Complaints regarding default on loans and credit cards were specific to Al Baraka, Bahrain Credit and SCHB.

3.5 Over Deduction:

The CD received 1 complaint (4% of total complaints) regarding deducting above 50% of salary as loan installment. This complaint was specific to Arab Bank.

3.6 Investment:

The CD received 1 complaint (4% of total complaints) regarding disputes with banks in investments such as purchase of shares, extra commission, investment in funds, or unpaid dividends. This complaint was specific to IIB.

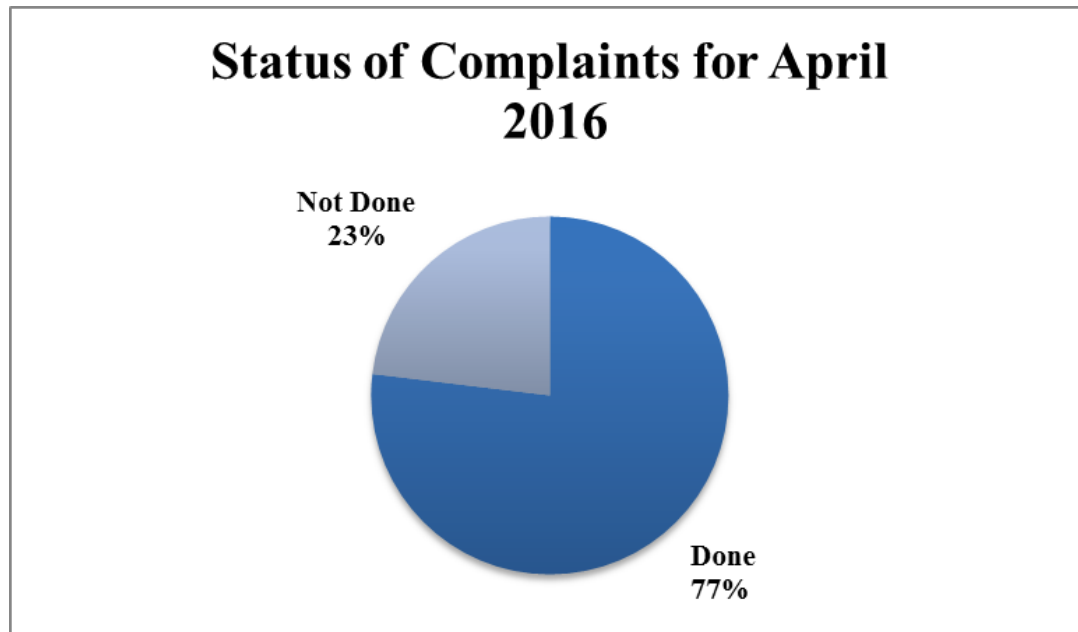
3.7 Transfer Failure:

We received 1 complaint (4% of total complaints) regarding failure to transfer the funds. This complaint was specific to BBK.

3.8 Others:

We received 6 other complaints (23% of total complaints) which includes court cases and other issues.

4. Status of Complaints



The above graph illustrates the status of complaints received during April 2016. 77% of the complaints received have been resolved, 23% of the complaints are still under process.