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Central Bank of Bahrain

## Customer Complaints Report

**March 2016**

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Production: Compliance Directorate

Central Bank of Bahrain

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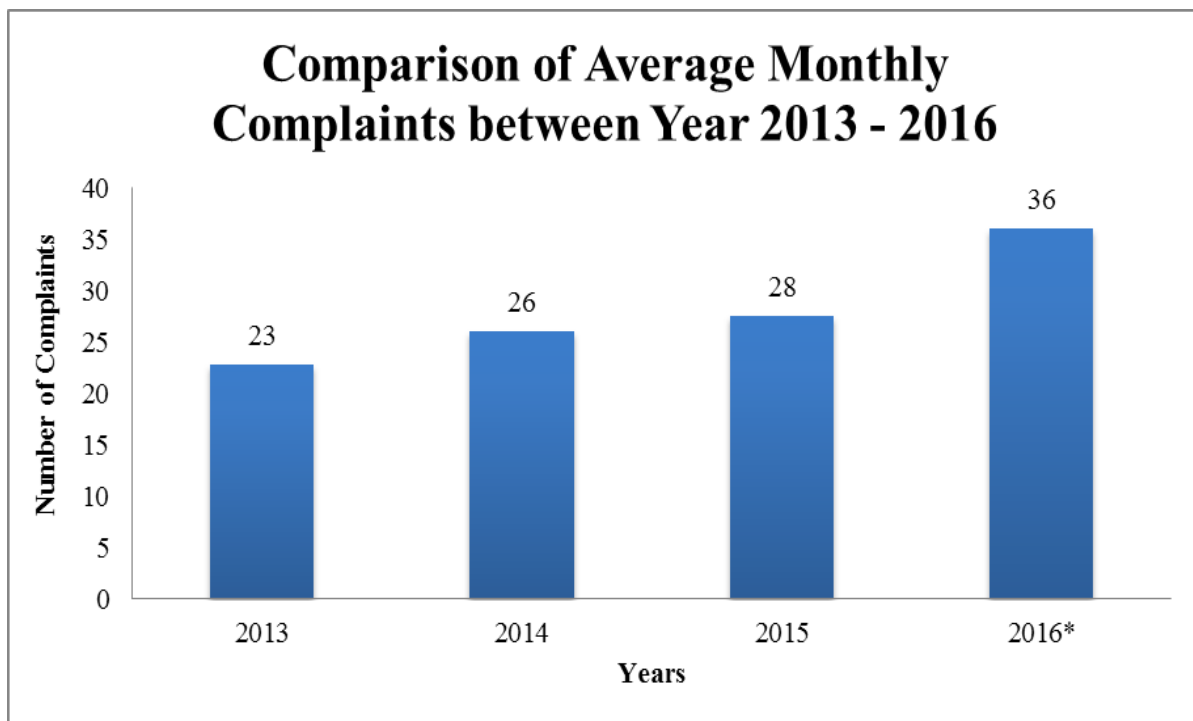
The Customer Complaints Report is a monthly report prepared by the Compliance Directorate. It is available in PDF format in the Publications and Data section at <http://www.cbb.gov.bh>.

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## 1. Introduction

Based on the complaints received between 1<sup>st</sup> January to 31<sup>st</sup> March 2016, the number of complaints received in January were 38 complaints, 34 complaints in February and 36 complaints in March, leading to an average of 36 complaints received during the first three 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.



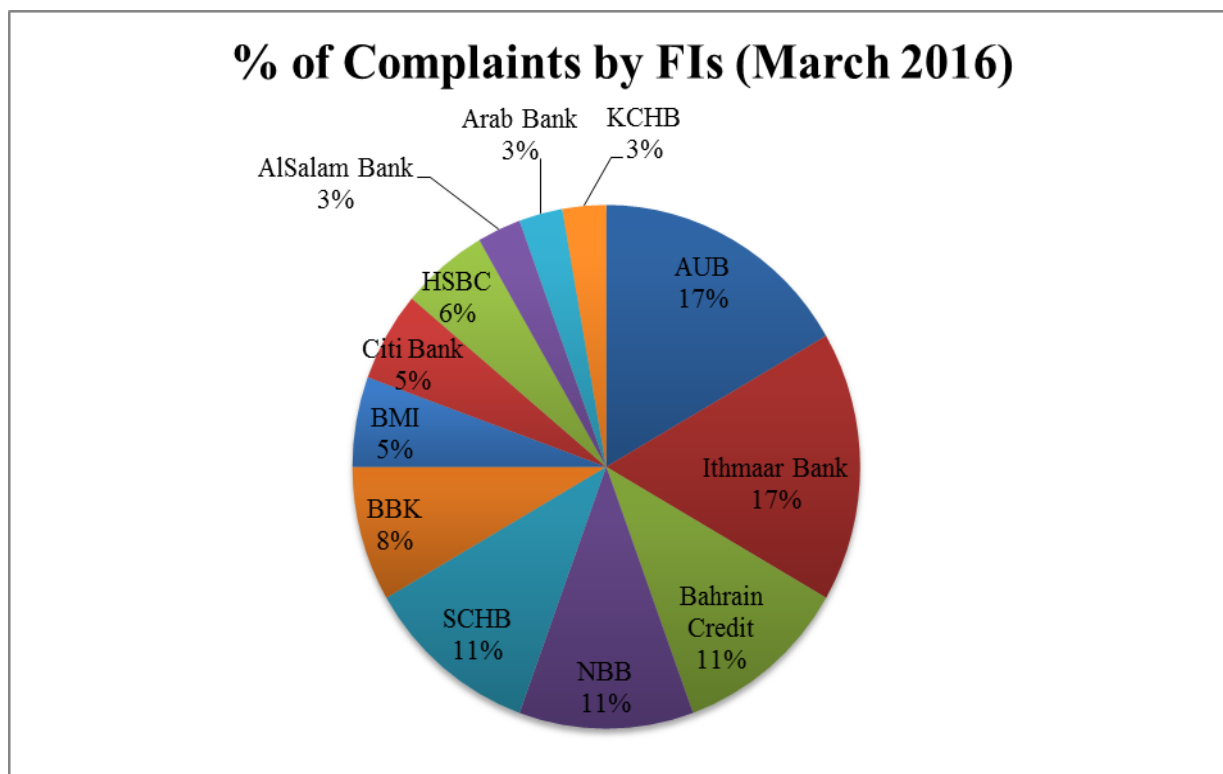
*\*Average number of complaints between January - March 2016.*

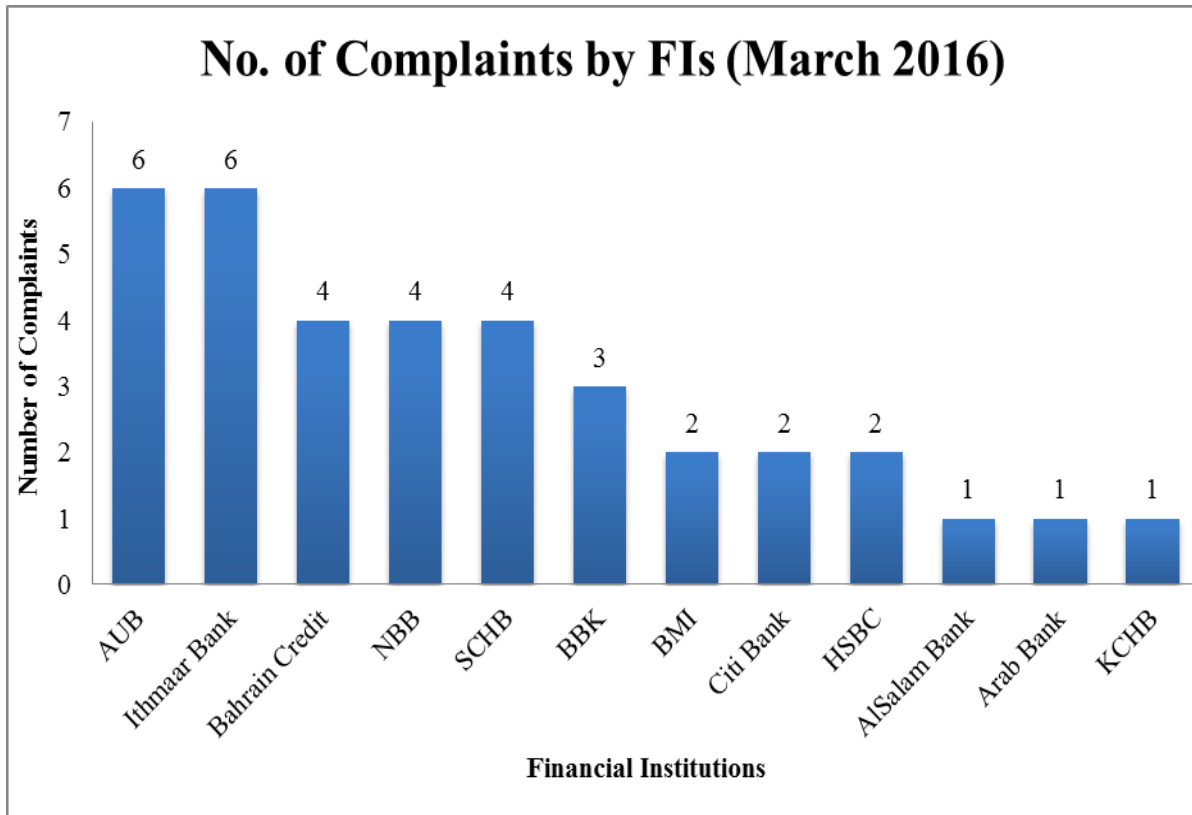
## **2. Concentration of Complaints by Financial Institutions (FIs)**

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

- Ahli United Bank - 6 complaints, representing 17% of total complaints, compared to 4 complaints in February 2016.
- Ithmaar Bank - 6 complaints, constituting of 17% of total complaints, compared to 5 complaints in February 2016.
- Bahrain Credit - 4 complaints, which represent 11% of total complaints.
- SCHB - 4 complaints, representing 11% of total complaints.
- NBB - 4 complaints, representing 11% of total complaints.

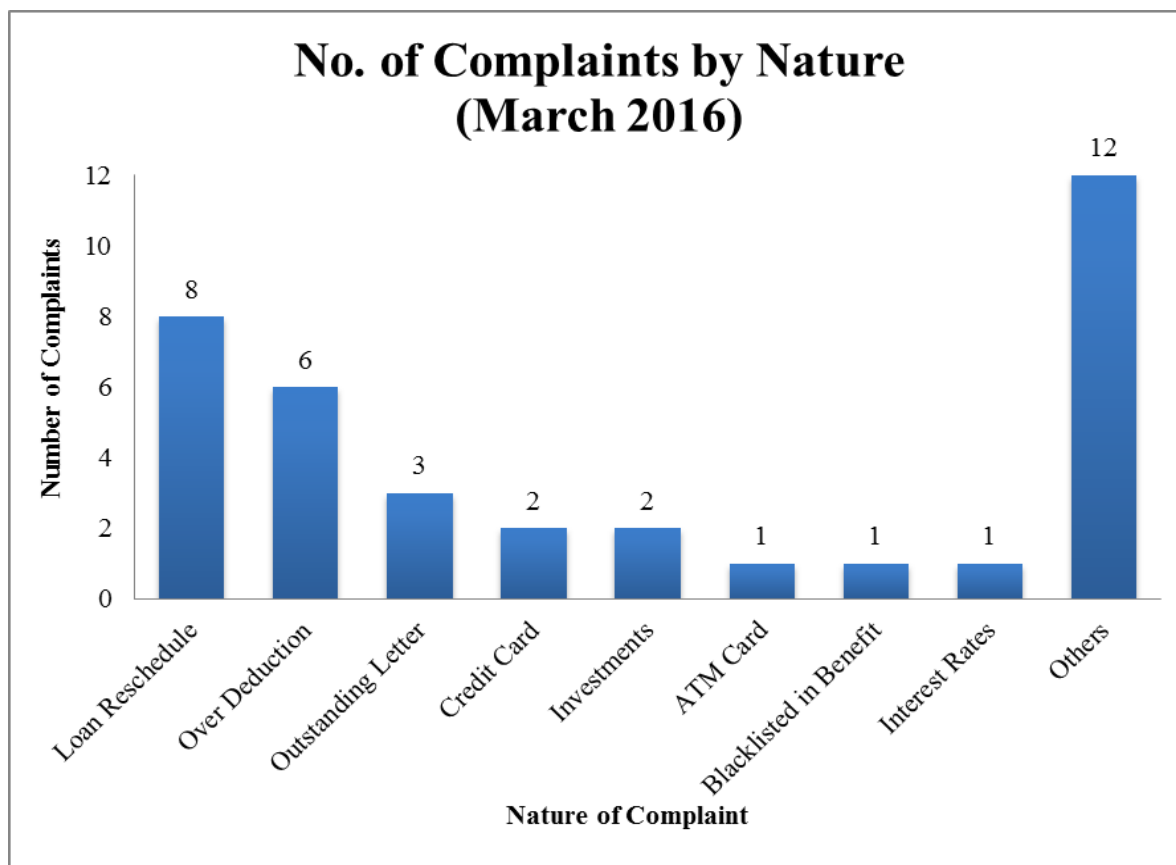
The abovementioned five financial institutions constitute 67% of total complaints.





### 3. Nature of Complaints

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



Following are detailed classifications on the nature of the complaints:

#### 3.1 **Loan Reschedule:**

The CD received 8 complaints (22% of total complaints) regarding rescheduling existing loans on a longer period due to high monthly installments and difficulties in payment. Complaints regarding rescheduling loans were mainly specific to BBK, Bahrain Credit, AUB, NBB and Arab Bank.

### **3.2 Over Deduction:**

The CD received 6 complaints (17% of total complaints) regarding deducting either above 50% of salary or the full salary as loan installment. These complaints were specific to AUB, Bahrain Credit, Ithmaar Bank, HSBC, SCHB and NBB.

### **3.3 Outstanding Letter:**

The CD received 3 complaints (8% 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 Bahrain Credit, NBB and HSBC.

### **3.4 Credit Card:**

The CD received 2 complaints (6% 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 and Citi Bank-Bahrain.

### **3.5 Investment:**

The CD received 2 complaints (6% of total complaints) regarding disputes with banks in investments such as purchase of shares, extra commission, investment in funds, or unpaid dividends. These complaints were specific to KCHB and AUB.

### **3.6 ATM Card:**

We received 1 complaint (3% of total complaints) regarding ATM Card issues which consist of deduction from the customers' balance without their knowledge and charges for new ATM card re-issuance for captured cards of customers from different banks. Such complaint was specific to AUB.

### **3.7 Blacklisted in Benefit:**

We received 1 complaint (3% 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 Salam Bank.

### **3.8 Interest Rates:**

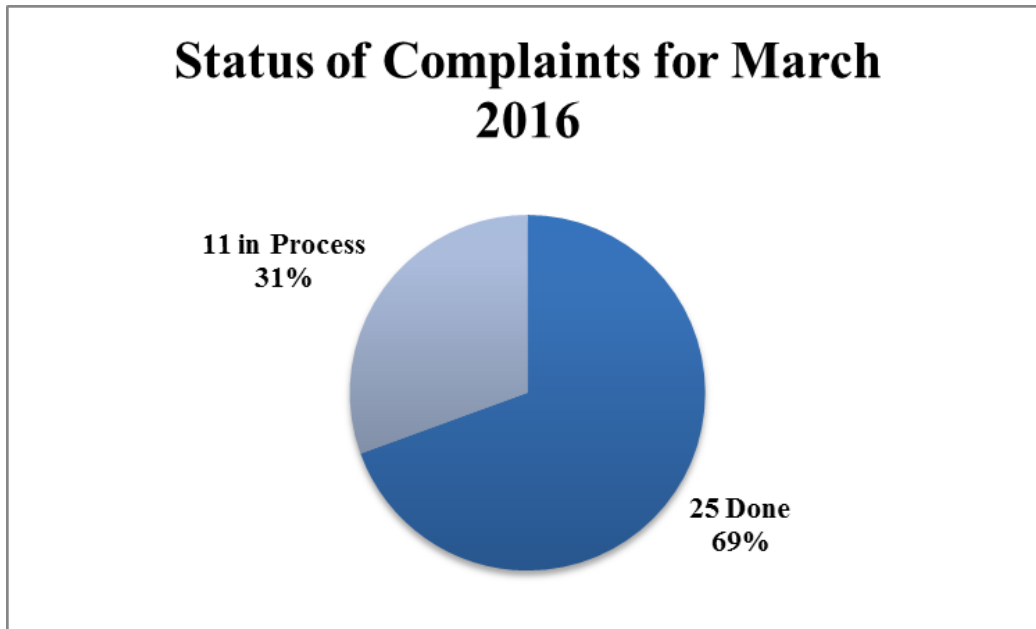
We received 1 complaint (3% of total complaints) regarding higher interest rates charged on loans, which was specific to SCHB.



### **3.9 Others:**

Consisted of 12 Complaints which represent 33% of total complaints such as returned checks, court cases, installment postponed, fraud and other issues.

#### 4. Status of Complaints



The above graph illustrates the status of complaints received during March 2016. 69% of the complaints received have been resolved, 31% of the complaints are under process.