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Central Bank of Bahrain

Customer Complaints Report

August 2016

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Production: Compliance Directorate

Central Bank of Bahrain

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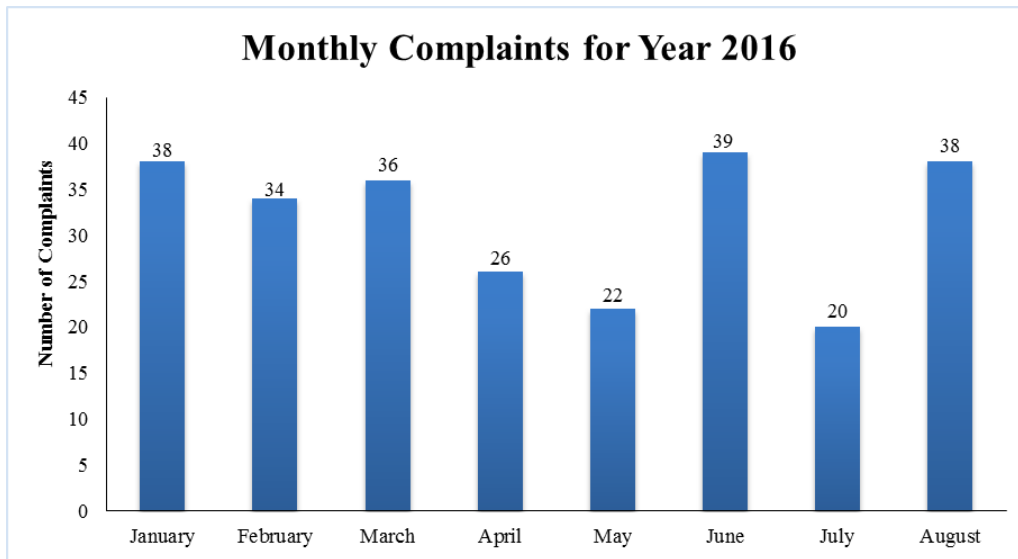
The Customers Complaints Report is a monthly report prepared by the Compliance Directorate. It is available in PDF format in the Publications and Data section at <http://www.cbb.gov.bh>.

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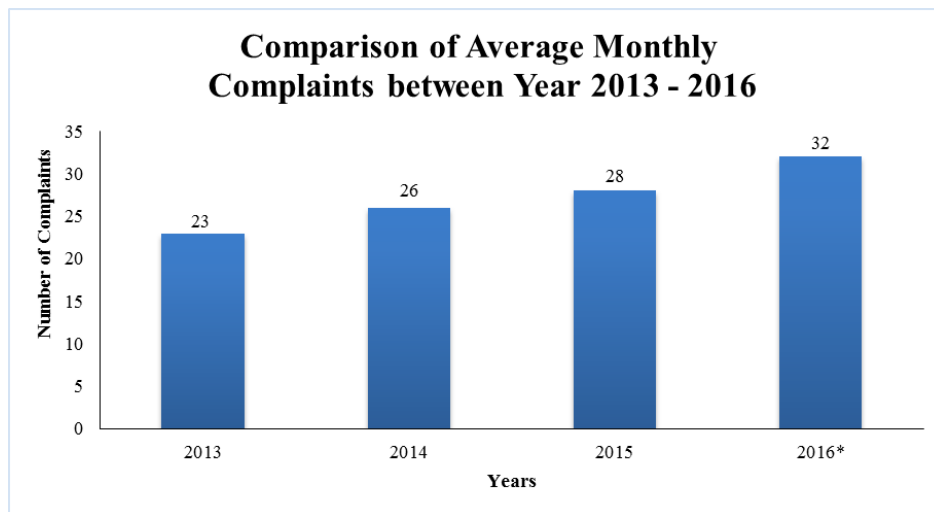
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1. Introduction

The Compliance Directorate “CD” received 38 complaints in August 2016. The following graph illustrates the monthly complaints received from 1st January to 31st August 2016.



The monthly complaints received since the beginning of 2016 have averaged 32 complaints. The average monthly complaints in 2016 exceeded previous years, which were recorded at 28 complaints in 2015, 26 complaints in 2014 and 23 complaints in 2013 as illustrated in the graph below.



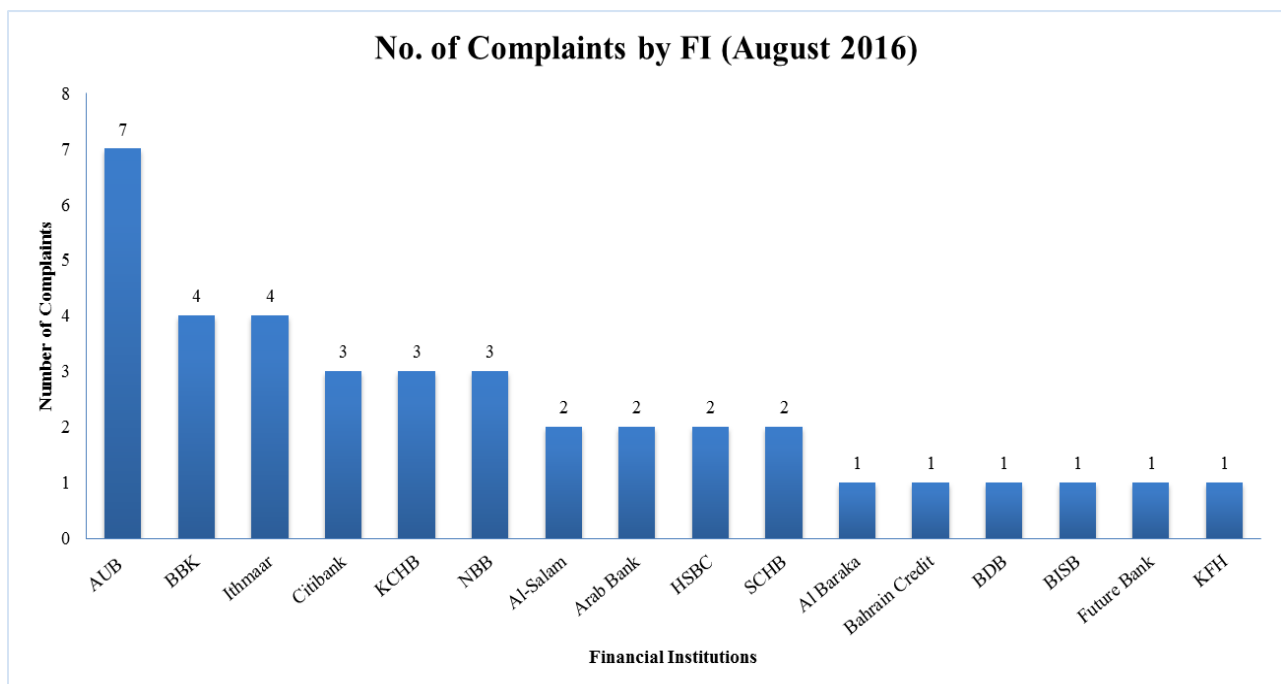
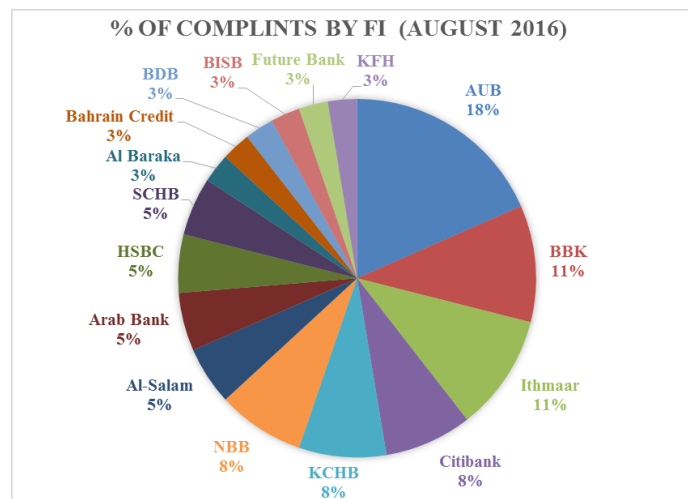
*Average of January – August complaints received in 2016.

2. Concentration of Complaints by Financial Institution (FI)

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

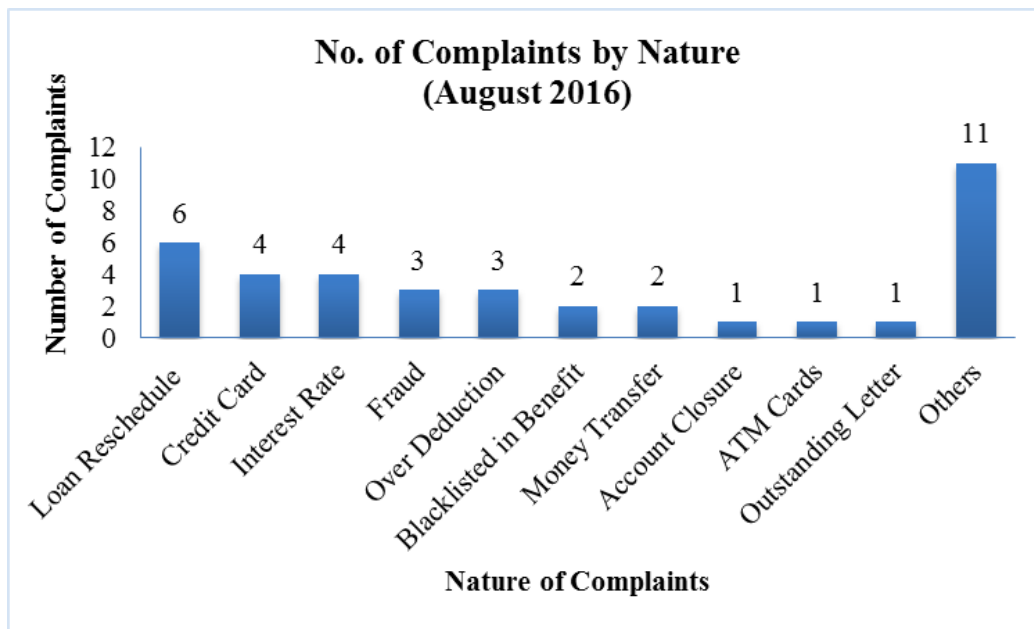
- AUB – 7 complaints, representing 18% of total complaints.
- BBK - 4 complaints, representing 11% of total complaints.
- Ithmaar Bank - 4 complaints, representing 11% of total complaints.

The abovementioned three financial institutions represent 39% of total complaints.



3. Nature of Complaints

The following chart demonstrates the nature of complaints received by the CD during the month of August 2016.



Following are detailed classifications on the nature of the complaints:

3.1 **Loan Reschedule:**

The CD received 6 complaints (16% 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 rescheduling were mainly specific to AUB, Arab Bank, Bahrain Credit and Ithmaar Bank.

3.2 **Credit Card:**

The CD received 4 complaints (11% of total complaints) regarding credit card services which consist of fees charged on the customer and deduction of amounts without the customer's prior consent. Complaints regarding credit card services were specific to Citibank, Ithmaar Bank and KHCB.

3.3 Interest Rates:

The Compliance Directorate received 4 complaints (11% of total complaints) regarding higher interest rates charged on loans. Such complaints were specific to AUB, AlBaraka Bank, Citibank and Future Bank.

3.4 Fraud:

The CD received 3 complaints (8% of total complaints) regarding several fraudulent deductions which were incurred from a customer's debit card account in different countries. Complaint regarding fraud were specific to BBK, HSBC and SCB.

3.5 Over Deduction:

The CD received 3 complaints (8% of total complaints) regarding deducting either above 50% of salary or the full salary as loan installment. These complaints were specific to AUB, KFH and SCB.

3.6 Listed in Benefit:

The Compliance Directorate received 2 complaints (5% of total complaints) regarding customers being listed on the Benefit list due to previous defaults on loans and credit card payments. The complaints rose as a result of banks denying to grant listed individuals new loans even after having covered all outstanding debt. Complaints regarding default on loans and credit cards were specific to AUB and KHCB.

3.7 Money Transfer:

The CD received 2 complaints (5% of total complaints) regarding failure to transfer the funds. These complaints were specific to AUB and Citibank.

3.8 Account Closure:

The CD received 1 complaint (3% of total complaints) regarding account closing/blocking due to customers not complying with the bank's procedures and requirements. Complaint regarding account closure was specific to BBK.

3.9 ATM Card:

The CD received 1 complaint (3% of total complaints) regarding suspending the customer's ATM card with no clear justification. Such complaint was specific to NBB.

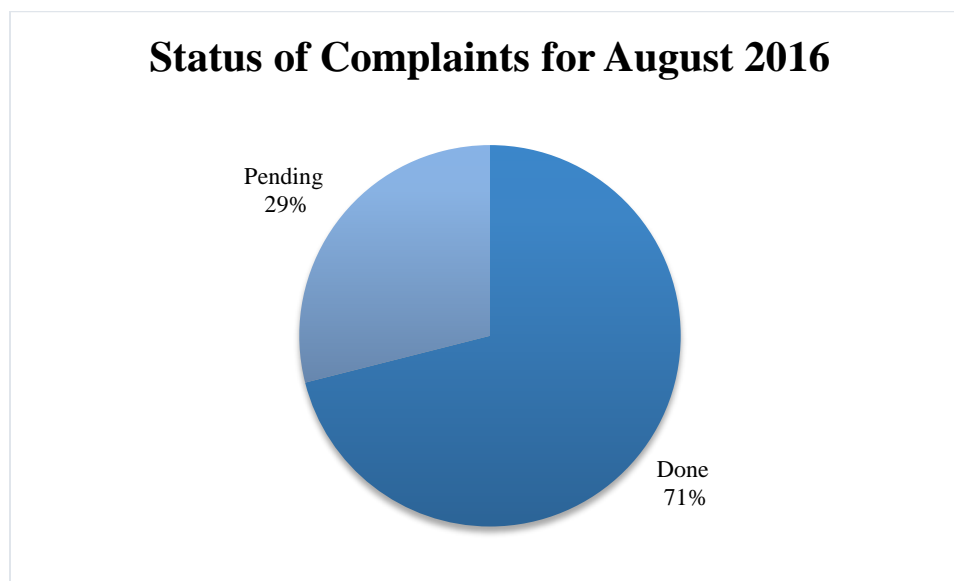
3.10 Outstanding Letter:

The CD received 1 complaint (3% of total complaints) regarding delayed outstanding letters for the customers. Such complaint was specific to Arab Bank.

3.11 Others:

The CD received 11 other complaints (29% of total complaints) such as returned cheques, court cases, loan repayment, compensation requests, settlement requests, issues related to account opening and money refunds. These complaints were specific to AUB, AlSalam Bank, BDB, BISB, BBK, HSBC, KHCB and NBB.

4. Status of Complaints



The above graph illustrates the status of complaints received during August 2016. 71% of complaints received have been resolved, 29% of complaints are still under process.