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Central Bank of Bahrain

Customer Complaints Report

June 2016

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Production: Compliance Directorate

Central Bank of Bahrain

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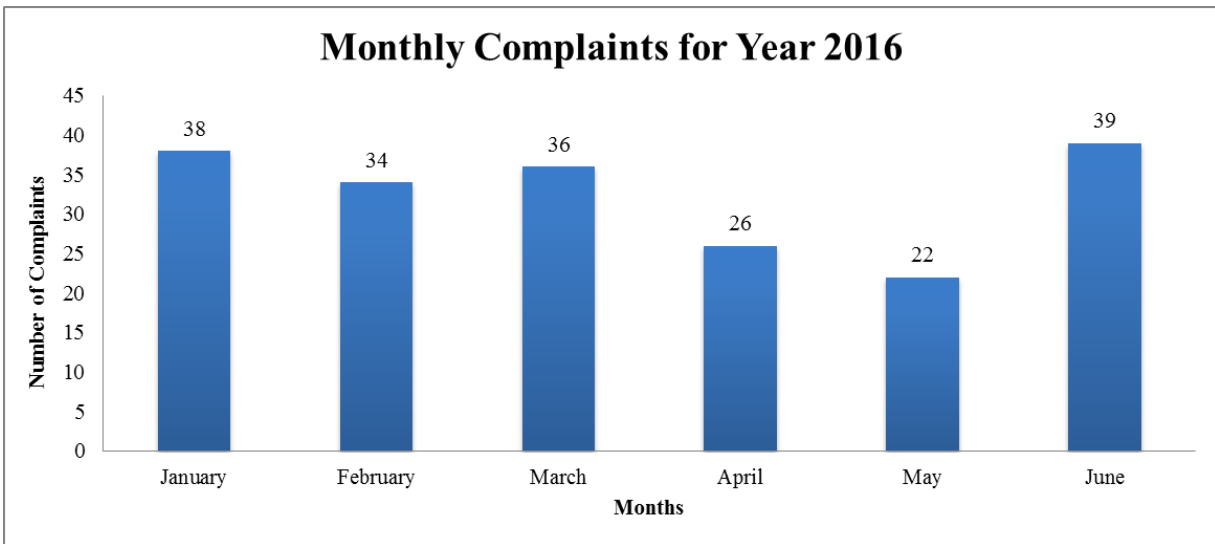
The Customers Complaints Report is a monthly report prepared by the Compliance Directorate. It is available in PDF format in the Publications and Data section at <http://www.cbb.gov.bh>.

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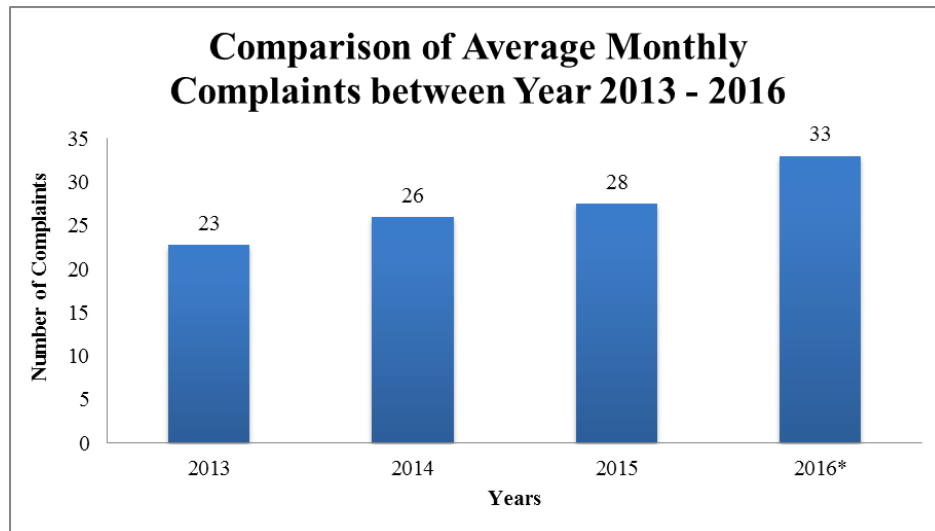
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1. Introduction

The Compliance Directorate “CD” received 39 complaints in June 2016. The following graph illustrates the monthly complaints received from 1st January - 30th June 2016.



The monthly complaints received since the beginning of 2016 have averaged 33 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.



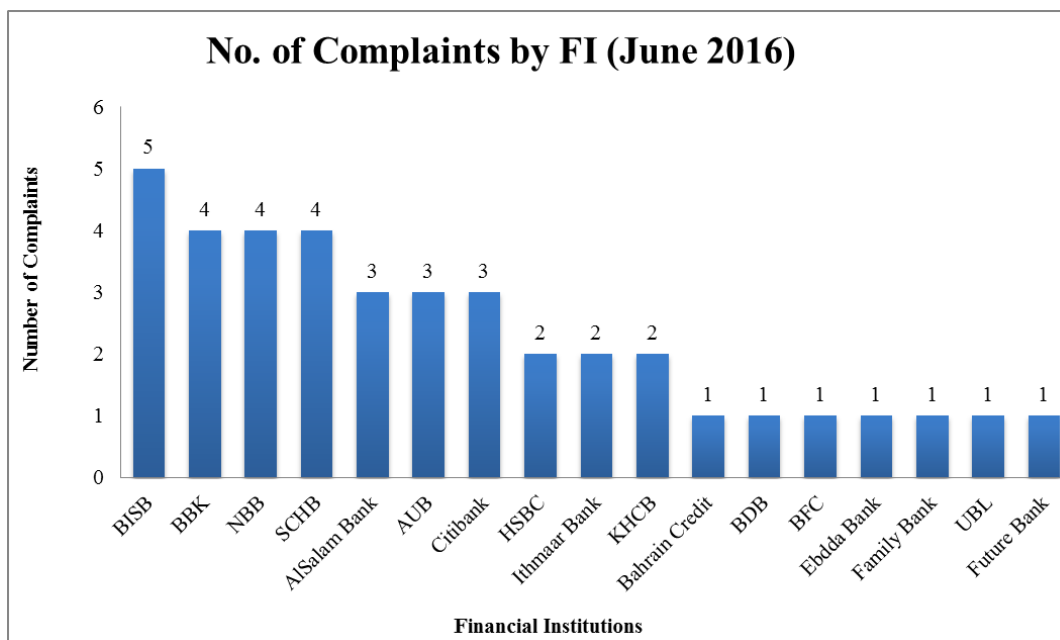
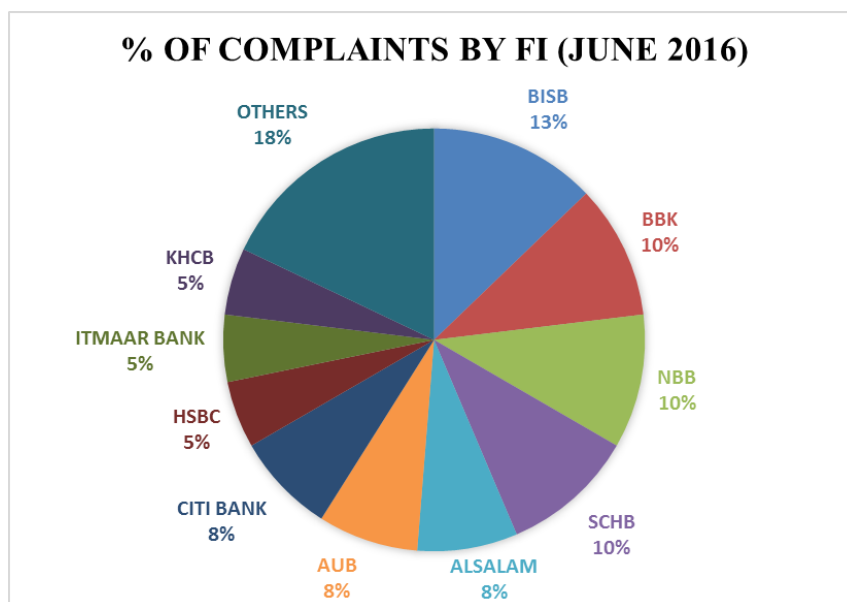
*Average of January - June complaints received in 2016.

2. Concentration of Complaints by Financial Institution (FI)

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

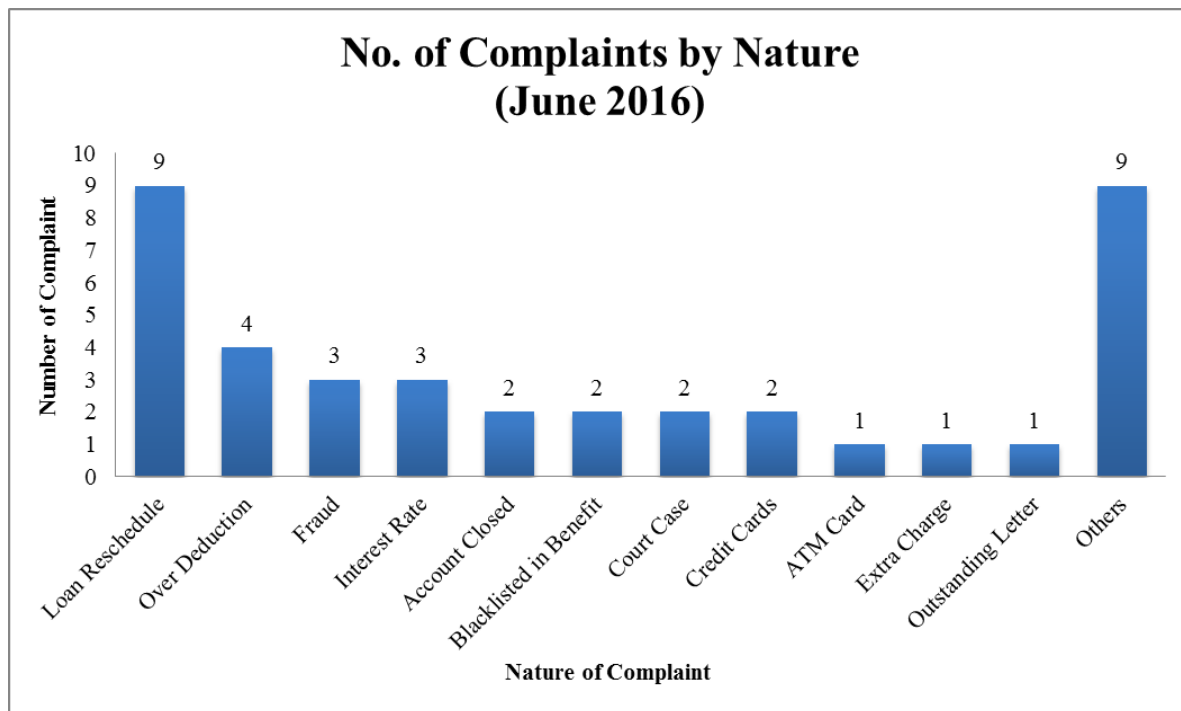
- BISB - 5 complaints, representing 13% of total complaints.
- BBK, NBB, SCHB - 4 complaints, each representing 10% of total complaints.

The abovementioned four financial institutions represent 43% of total complaints.



3. Nature of Complaints

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



Following are detailed classifications on the nature of the complaints:

3.1 **Loan Reschedule:**

The CD received 9 complaints (23% 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, Bahrain Credit, BISB, Ithmaar Bank, NBB and SCHB.

3.2 **Over Deduction:**

The CD received 4 complaints (10% of total complaints) regarding deducting either above 50% of salary or the full salary as loan installment. These complaints were specific to AUB, BBK, BISB and Citibank.

3.3 Fraud:

The CD received 3 complaints (8% of total complaints) regarding several fraudulent deductions which were incurred from a customer's debit card account and two separate cases related to forged signatory where the authorized signatory was unaware of financial transactions carried under his/her name using their signature. Complaints regarding fraud were specific to BBK and UBL.

3.4 Interest Rates:

The CD received 3 complaints (8% of total complaints) regarding higher interest rates charged on loans. Such complaints were specific to AUB and BISB.

3.5 Account Closed:

The CD received 2 complaints (5% of total complaints) regarding account closing/blocking due to customers not complying with the bank's procedures and requirements. Complaints regarding account closure were specific to NBB and SCHB.

3.6 Blacklisted In Benefit:

The CD received 2 complaints (5% of total complaints) regarding customers being blacklisted 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 blacklisted individuals new loans even after having covered all outstanding debt. Complaints regarding default on loans and credit cards were specific to HSBC and SCHB.

3.7 Court Case:

The CD received 2 complaints (5% of total complaints) regarding cases that were transferred from the collection department in financial institutions to the court. Such complaints were specific to Ithmaar Bank and NBB.

3.8 Credit Card:

The CD received 2 complaints (5% of total complaints) regarding credit cards services which consist of fees charged on the customer and deduction of the customers' balance without the customer's prior consent. Complaints regarding credit card services were specific to SCHB and BISB.

3.9 ATM Card:

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

3.10 Extra Charge:

The CD received 1 complaint (3% of total complaints) regarding extra charges being charged to the customer when applying for a loan. This complaint was specific to Citibank.

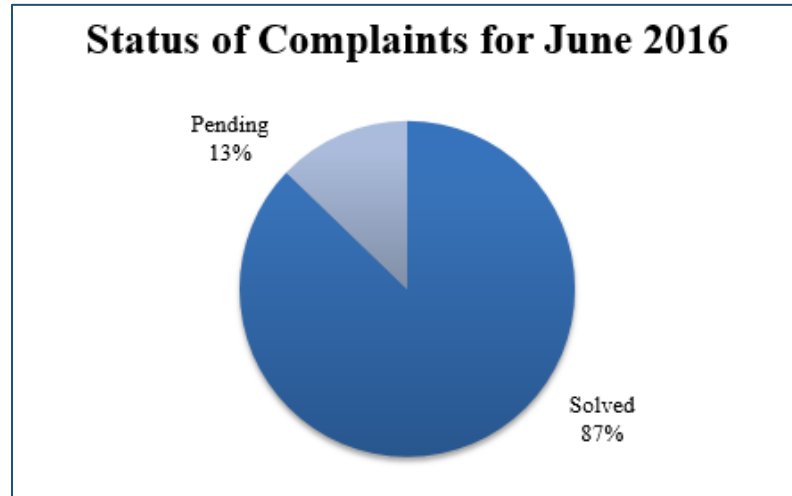
3.11 Outstanding Letter:

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

3.12 Others:

The CD received 9 Complaints (23% of total complaints) regarding issues related to delayed salary transfer, lack of assistance from call center, refusal to provide loans, failure to deactivate joint account authorization based on customer request and delay in issuing cheque book. These complaints were specific to BBK, BDB, Ebdaa Bank, Family Bank, Future Bank, KHCB, BFC, HSBC and Citibank.

4. Status of Complaints



The above graph illustrates the status of complaints received during June 2016. 87% of complaints received have been resolved, 13% of complaints are still under process.