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Central Bank of Bahrain

Customer Complaints Report

July 2016

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Production: Compliance Directorate

Central Bank of Bahrain

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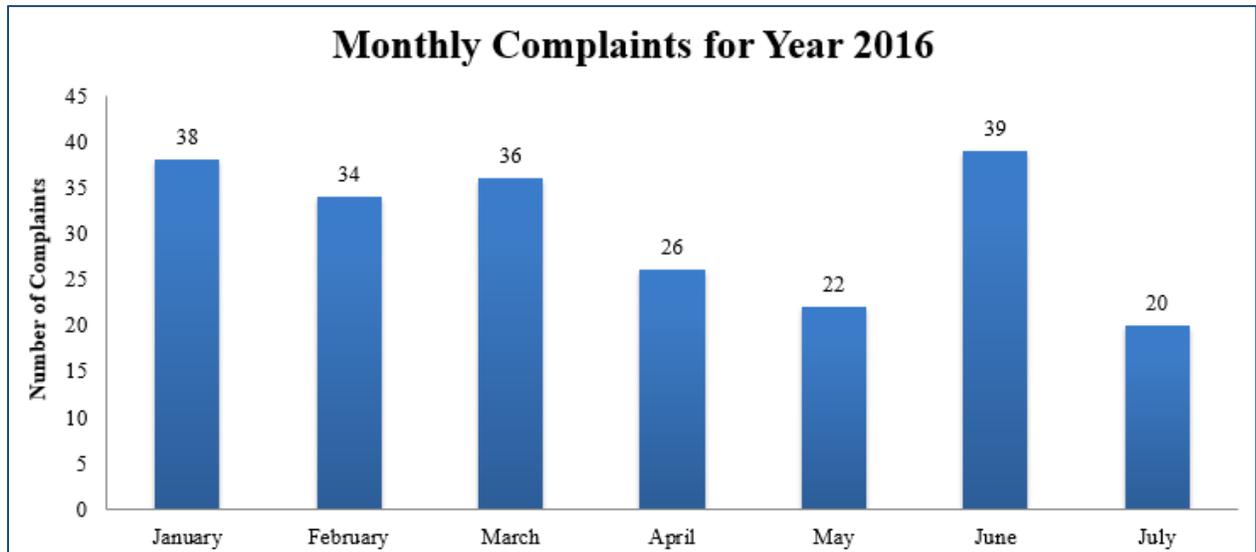
The Customers Complaints Report is a monthly report prepared by the Compliance Directorate. It is available in PDF format in the Publications and Data section at <http://www.cbb.gov.bh>.

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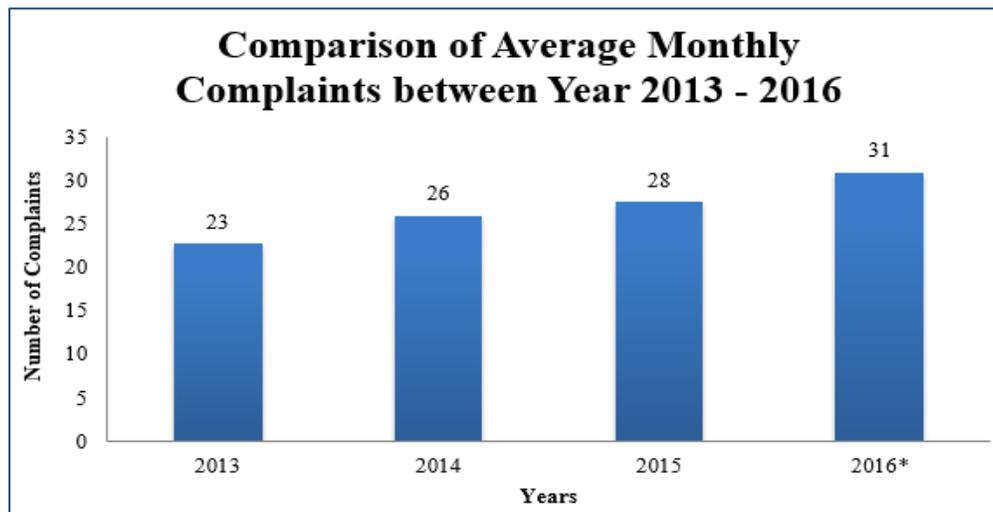
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1. Introduction

The Compliance Directorate “CD” received 20 complaints in July 2016. The following graph illustrates the monthly complaints received from 1st January - 31st July 2016.



The monthly complaints received since the beginning of 2016 have averaged 31 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.



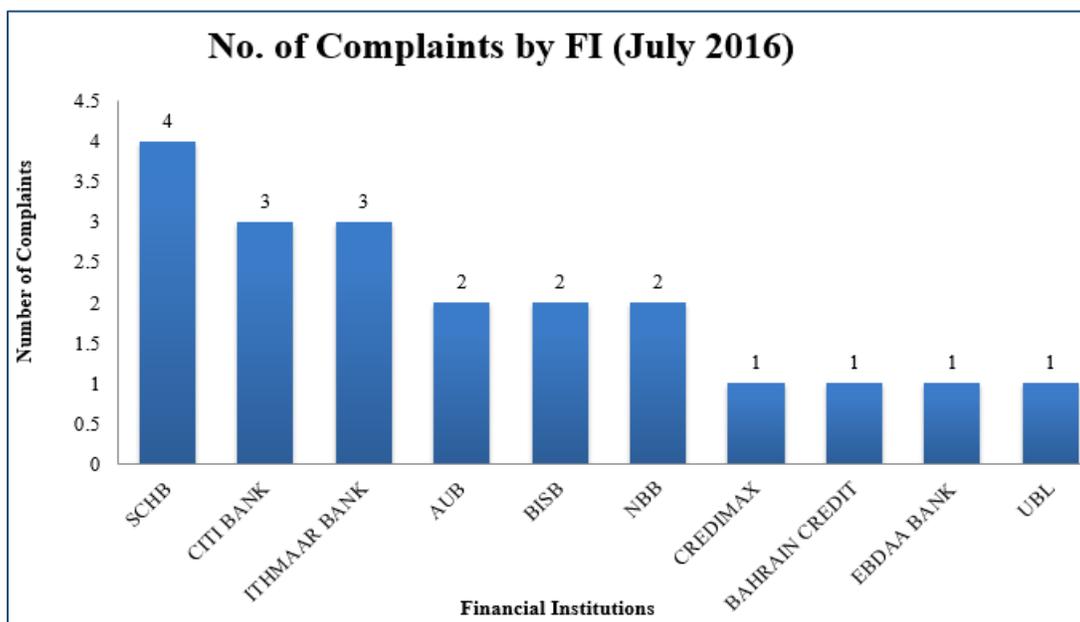
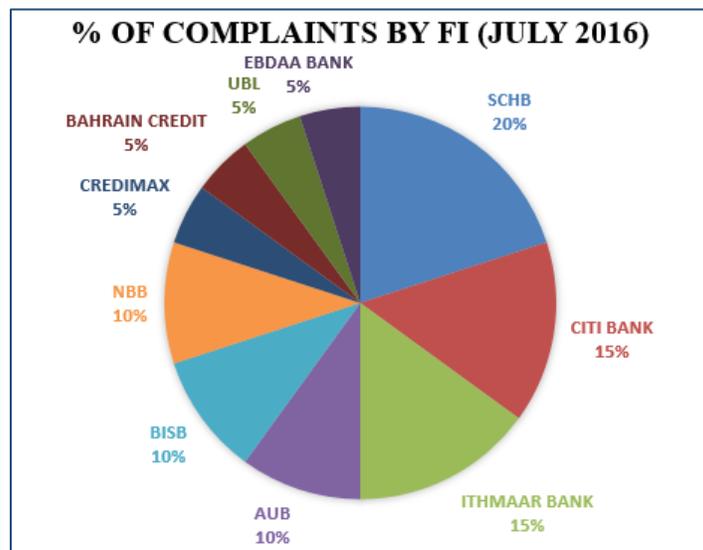
*Average of January - July complaints received in 2016.

2. Concentration of Complaints by Financial Institution (FI)

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

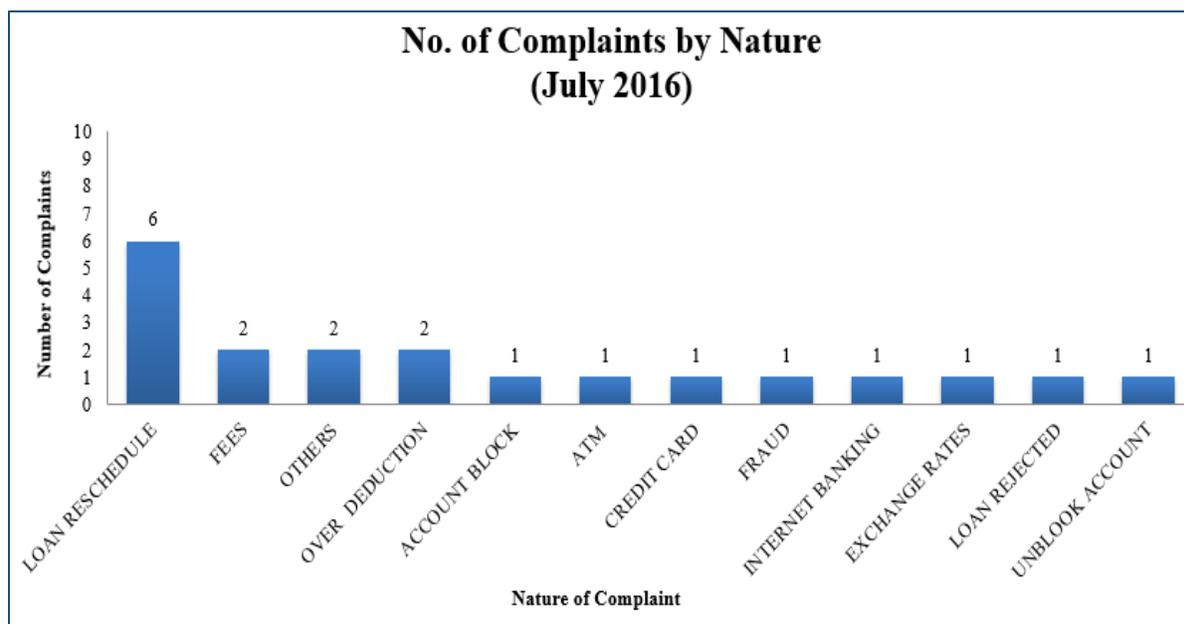
- SCHB - 4 complaints, representing 20% of total complaints.
- Citi Bank - 3 complaints, representing 15% of total complaints.
- Ithmaar Bank - 3 complaints, representing 15% of total complaints.

The abovementioned three financial institutions represent 50% of total complaints.



3. Nature of Complaints

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



Following are detailed classifications on the nature of the complaints:

3.1 Loan Reschedule:

The CD received 6 complaints (30% 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 NBB, SCHB, EBDAA BANK and AUB.

3.2 Fees:

The CD received 2 complaints (10% of total complaints) regarding charging bank administrative fees of a performance bond document to the customer. These complaints were specific to Ithmaar Bank.

3.3 Over Deduction:

The CD received 2 complaints (10% of total complaints) regarding deducting either above 50% of salary or the full salary as loan installment. These complaints were specific to BISB and UBL.

3.4 Account Block:

The CD received 1 complaint (5% of total complaints) regarding blocking a newly retired customer end of service amount who has an outstanding loan with the bank. Complaint regarding account block was specific to NBB.

3.5 ATM Card:

The CD received 1 complaint (5% of total complaints) regarding suspending the customer's ATM card with no clear justification. Such complaint was specific to SCHB.

3.6 Credit Card:

The CD received 1 complaint (5% of total complaints) regarding credit card services which consist of fees charged on the customer and deduction of the customers' balance without the customer's prior consent. Complaint regarding credit card services was specific to Citibank.

3.7 Fraud:

The CD received 1 complaint (5% of total complaints) regarding several fraudulent deductions which were incurred from a customer's debit card account in different countries. Complaint regarding fraud was specific to Citibank.

3.8 Internet Banking:

The CD received 1 complaint (5% of total complaints) regarding debiting customer's account for tickets purchased online through the bank's online service and no booking confirmation was received. Complaint regarding Internet Banking was specific to BISB.

3.9 Exchange Rates:

The CD received 1 complaint (5% of total complaints) regarding higher exchange rates charged on currency conversion from USD to BHD. Such complaint was specific to Credimax.

3.10 Loan Rejected:

The CD received 1 complaint (5% of total complaints) regarding loan rejection by the bank. Such complaint was specific to Bahrain Credit.

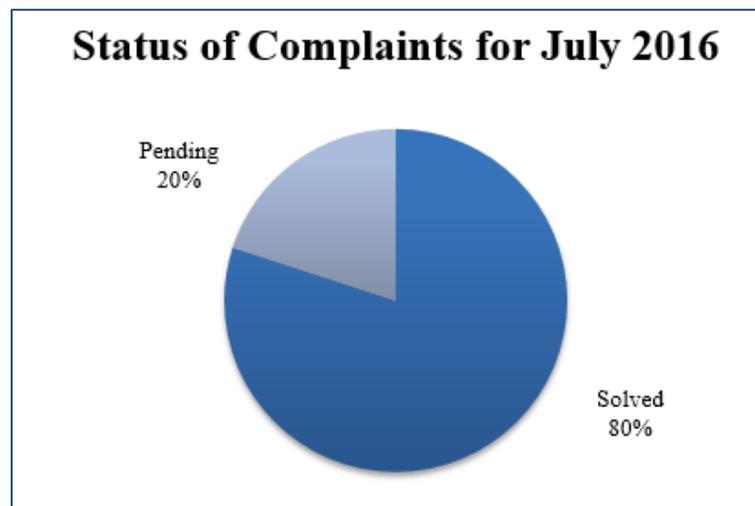
3.11 Unblock Account:

The CD received 1 complaint (5% of total complaints) regarding unblocking a customer's account after being granted a release order from the relevant authority. Such complaint was specific to NBB.

3.12 Others:

The CD received 2 other complaints (10% of total complaints). The first one relates to the bank's failure to close all customer's account upon his request without sending any confirmation that the accounts are no longer active. The other complaint was regarding the Bank's mistake for opening a saving account two years ago for a customer while he requested a Thimaar account. These complaints were specific to Citibank and Ithmaar Bank.

4. Status of Complaints



The above graph illustrates the status of complaints received during July 2016. 80% of complaints received have been resolved, 20% of complaints are still under process.