

# **SF3-IN Fair Practice Code**

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**Version 05**  
**August, 2015**

**BMW India Financial Services**

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## 1 Introduction

The Board of Directors of BMW India Financial Services Private Limited (“Company”) have approved the Fair Practice Code (“Code”) as required in terms of Reserve Bank of India Master Circular No. RBI/2012-13/27 DNBS (PD) CC No.286/03.10.042/2012-13 dated 02<sup>nd</sup> July, 2012 and Notification No. RBI/2012-13/416 DNBS.CC.PD.No.320/03.10.01/2012-13 dated 18<sup>th</sup> February, 2013 to be followed in all dealings with the borrowers of the Company.

The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

## 2 Key Commitments and Declarations

Company's key commitments to customers:

2.1 Act fairly and reasonably in all their dealings with customers by:

- 2.1.1 Meeting the commitments and standards in this Code, for the products and services offered by the Company, and in the procedures and practices followed by the staff;
- 2.1.2 Ensuring that products and services meet relevant laws and regulations;
- 2.1.3 Providing professional, courteous and speedy services through professionally & adequately trained associates;
- 2.1.4 Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards financial transactions; keeping the customer informed about the changes in the interest rates, charges or terms and conditions.

2.2 Help customers understand how company's product work by:

- 2.2.1 Informing about the products;
- 2.2.2 Ensuring that advertisement and promotional material is clear and not misleading;
- 2.2.3 Stating clearly the rate of interest applicable and other terms and conditions;
- 2.2.4 Explaining their financial implications.

2.3 Help the customers use the products and services by:

- 2.3.1 Updating the customer about the product and services offered through website / customer service helpline etc.

- 2.4 Deal quickly and professionally with any issues raised by:
  - 2.4.1 Providing timely solutions for all complaints and reported errors
  - 2.4.2 Informing customers on the complaint redressal process and related escalations
  - 2.4.3 Informing and guiding customers on how & when their complaint will be addressed in case of technical failure.
- 2.5 Publicise this Code by putting it on the website and have copies available to customer on request and also ensure that the Company staff is trained to provide information about the Code.
- 2.6 Not to discriminate the customers on the basis of race, age, caste, gender, marital status, religion or disability.

### **3 Applications for loans and their processing**

- 3.1 The Company will communicate to the extent possible in English or in the vernacular language or language as understood by the borrower, the interest rate applicable and the fees / charges for processing, prepayment option and charges if any, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The customer should be informed about the annualized rate of interest along with the method for the calculation of the same.
- 3.2 The Company will provide a list of documents to be submitted by the customer, which will be part of the loan application form. If any additional details/ documents are required, the same shall be intimated to the borrowers immediately.
- 3.3 The Company will give the customer an acknowledgement and give an indication of the number of days it would take to process the application for every loan application.
- 3.4 The Company may conduct contact point verification through its employees or through an agency appointed by it, by contacting the customer at their residence/business telephone numbers or physically visit residence/business address mentioned on the loan application.

### **4 Loan appraisal and terms/conditions**

- 4.1 The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- 4.2 Upon approval of the loan a sanction letter/loan agreement indicating the amount of loan sanctioned, the applicable interest rate including method of calculation, along with other terms and conditions will be conveyed to the applicant in writing.
- 4.3 After the execution of the loan agreement, all borrowers will be furnished a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement.

### **5 Disbursement of loans including changes in terms and conditions**

- 5.1 The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company shall, at the time of disbursement, ensure that the interest rate and processing

and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.

- 5.1.1 The Penal interest charged for late repayment should be mentioned in bold in the loan agreement.
- 5.2 The disbursement will be made upon compliance of all the terms and conditions of the sanction letter/approval mail by the borrower.

## **6 Post Disbursal Supervision**

- 6.1 The Company shall give a notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc. The Company shall also ensure that changes in interest rates and charges become effective only prospectively.
- 6.2 The Company will give a notice to the customer before taking a decision to recall / accelerate payment or performance or seeking additional securities in consonance with the loan agreement. The changes may be effective retrospectively only with prior consent of borrower and Company.
- 6.3 The Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the customer. Notice to the customer with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled /paid will be given if such right of set off is to be exercised.

## **7 General**

- 7.1 The Company shall not interfere in the affairs of the borrower except for the purposes provided in the Loan Agreement (unless new information not earlier disclosed by the borrower has come to the notice of the Company).
- 7.2 The Retail Finance Agreement contains the re-possession clause in order to have transparency in the provisions, terms and conditions for re-possession of the financed vehicle for the purpose of legal enforceability
- 7.3 In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- 7.4 The Company will call delinquent customers between 0700 hrs to 2100 hrs unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.
- 7.5 The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- 7.6 The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
- 7.7 In case of receipt of a request from the borrower for transfer of the borrower's account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days

from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.

## 8 Customer Protection

8.1 The Company will treat its customer's personal information as private and confidential and will not reveal details of customer's dealings to a third party, except as provided herein and in the following exceptional cases:

8.1.1 If the information need to be given under the law.

8.1.2 If there is a duty towards the public to reveal the information.

## 9 Grievance Redressal Mechanism

The Company has a Customer Interaction Center (CIC) a dedicated customer interaction department wherein any interaction, request, query or complaint can be lodged by the Customer. CIC has the grievance redressal mechanism which ensures that all customers are treated fairly and timely. In order to redress the grievances and / or disputes arising out of the functionaries of the Company the following mechanism is put in place:

9.1 Level 1: Registration of Complaint: The Company enables customers to register their Complaints through multiple channels. The various channels available to customers for registering the complaints are as follows:

9.1.1 Customers can contact either through Toll free number or via email for recording grievances as per the details below;

Services	Toll Free Numbers	Email Addresses
BMW Financial Services	1800-102-2269	BMWFS-CustomerService@bmw.in
Alphera Financial Services	1800-102-2269	AlpheraCustomerService@Alphera.in
MINI Financial Services	1800-103-6343	MINIFS-CustomerService@mini.in

9.1.2 Customer can also walk-in at Registered Office / Branch Offices;

9.2 The registered complaints will be received by our Customer Interaction Center located at Registered Office in Gurgaon, Haryana. After examining the matter the complaints would be referred to respective locations and functions for resolution. The Company shall endeavor to send the customer its response within a period of 7 days and accordingly intimate the status of complaint.

9.3 Escalation of complaints: If a customer is not satisfied with the resolution provided through various channels, the customer can escalate the issues as per the below hierarchy:

9.3.1 Level 2: If customer is not satisfied with the resolution provided or the complaint was not disposed off within the specified period, he may contact Grievance Redressal Officer at:

The Grievance Redressal Officer  
Ms. Shilpi Ahuja  
BMW India Financial Services Private Limited  
DLF Cyber City, Phase II,  
Building No. 10, Tower C, 14<sup>th</sup> Floor,  
Gurgaon 122 002, Haryana, India  
Phone No.: +91-124-4958-652/ 1800-102-2269/ 1800-103-6343  
Email: Shilpi.Ahuja@bmw.in

- 9.3.2 Level 3: If the Compliant was not redressed by the Grievance Redressal Officer within the period of 30 days, he may further escalate to the Officer-in-Charge at the Delhi Office of the Reserve Bank of India:

The General Manager  
Department of Non-Banking Supervision,  
Reserve Bank of India,  
6, Parliament Street,  
New Delhi – 110 001  
Phone No.: 011-2371-4456  
Email dnbsnewdelhi@rbi.org.in

- 9.4 A periodical review of the Code and the functioning of the grievance redressal mechanism at various levels of management would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company at regular intervals.