Overview

Despite support for mechanisms for complaint resolution through regulations and industry codes, many institutions do not provide clients with an effective way to complain and have these complaints resolved. Indian institutions often grapple with understanding what goes into setting up an accessible comprehensive complaint resolution system. There are also hurdles of distilling the value proposition for an institution to set up a resolution system. This case study helps financial service providers answer such questions, using the example of Ujjivan.
1.1 The Client Protection Principles

The Client Protection Principles (CPPs) are the minimum standards that clients should expect to receive when doing business with a financial institution. They are:

1. Appropriate product design and delivery
2. Prevention of over-indebtedness
3. Transparency
4. Responsible pricing
5. Fair and respectful treatment of clients
6. Privacy of client data
7. Mechanisms for complaint resolution

This case study describes the successful implementation of the: CPP 7 — Mechanisms for Complaint Resolution, by the Indian MFI Ujjivan Financial Services Pvt Ltd. All financial service providers should have in place a timely and responsive mechanism to resolve client problems and improve their products and services. However, this is not common practice across the Indian microfinance market, or it is a perfunctory measure put in place to comply with government regulation.\(^1\) Financial service providers can use this case study to understand a successful model for complaints resolution.

1.2 The Indian Context

Despite the market-level support for mechanisms for complaint resolution through regulations and industry codes, many institutions do not provide clients with an effective way to complain and have these complaints resolved. While some MFIs in India have good practices like providing a toll free number to clients, designating separate staff to complaints, or including complaint resolution in the responsibilities of internal audit, these practices are not always applied consistently across an entire institution.

Indian institutions often grapple with the challenge of understanding what goes into setting up a comprehensive complaint resolution system that is accessible to clients. There are also hurdles of distilling the value proposition for an institution to set up a robust complaint resolution process. This case study provides some evidence to help financial service providers answer such questions, using the example of Ujjivan.

1.3 Background on Ujjivan

Ujjivan was set up in 2005 to serve the economically active urban and semi urban low income women. Its headquarters are located in Bangalore, with regional offices in New Delhi, Kolkata, and Pune. As of March 2013, Ujjivan had 301 Branches in 20 states and over one million active clients representing a portfolio outstanding of Rs. 11.26 billion. Ujjivan’s clients are mainly women residing in urban and semi-urban areas. Most clients are self employed or are piece rate workers, while the remaining are salaried.

\(^1\) In India, the Reserve Bank requires NBFCs to appoint a Grievance Redressal Officer as a nodal officer, and the industry Code of Conduct emphasizes the importance of an effective mechanism for complaint resolution.
Ujjivan strives to differentiate itself through its strong customer service unit, which continuously works to develop innovative programs to deepen their customer connect. Today, Ujjivan has a dedicated Service Quality team instituted with a National Head who is supported Regional Heads stationed at each of Ujjivan’s four regional offices.

Even before the 2010 Indian microfinance crisis, Ujjivan demonstrated strong commitment toward client protection. In February 2011, Ujjivan underwent an in-depth Client Protection Assessment by Smart Campaign. The assessment revealed that Ujjivan had in place a strong mechanism for resolution of client complaints.

### Methodology and Acknowledgments

To develop this case study, a team from the Smart Campaign observed Ujjivan over six months and mapped its Customer Complaint Mechanism of Ujjivan, with the objective of supporting the institution, wherever necessary.

The Smart Campaign is grateful to Ujjivan for their contribution in the development of the tool. In particular, we thank Ujjivan’s leadership and staff, and acknowledge their commitment to strengthening client protection at the industry level through public sharing of this tool.

### Standards of Care for CPP 7

The list below describes represent the standards for CPP 7, which clients should expect to receive when doing business with a financial institution. This case study will describe how Ujjivan is putting these standards into practice.

| Standard: The financial institution’s (FI’s) clients are aware of how to submit complaints |
| Indicator: The FI informs clients about their right to complain and how to submit a complaint to the appropriate person (or where they could find that information if they don’t know it first-hand). |

| Standard: The FI’s staff is trained to handle complaints |
| Indicator: The FI’s dedicated staff induction training includes a session on how the complaints mechanism works, the loan officer’s role in the process and how to appropriately manage complaints until they are completely resolved (how to handle complaints and refer them to the appropriate person for investigation and resolution). |

| Standard: The FI’s complaints resolution system is active and effective |
| Indicator: The FI’s policies include how to handle complaints. They include how to inform client about the complaint mechanism. |
| Indicator: The FI has an effective, appropriate system in place to resolve complaints in a timely way. |
| Indicator: The FI has assigned someone to handle complaints and refer them to the appropriate person for resolution, at least on a part-time basis. |
| Indicator: The FI has a clear reporting system in place to ensure that complaints from branches/POS reach complaints handling staff. |
| Indicator: The complaints mechanism is actively used by clients. |
| Indicator: The FI’s clients receive a timely response to their issues, within a month of complaint submission. |
| Indicator: The FI’s internal audit or other monitoring systems check that complaints are resolved satisfactorily. |

| Standard: The FI uses client feedback to improve practices and products |
| Indicator: The FI uses information to correct mistakes, omissions and activities that may be harmful to the client. |
| Indicator: The FI uses complaints information to improve the organization’s operations/products/communications. |
2.1 Regulatory Requirements in India (Central Bank and Self Regulation)

The Reserve Bank of India (RBI) in August, 2012 issued a directive to NBFCs asking the board of directors of NBFC MFIs to lay down appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. The RBI also notified all MFIs that the complaint mechanism should ensure that all disputes arising out of the decisions of lending institutions’ functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

Industry Code of Conduct (MFIN and Sa-Dhan) requires MFIs to:
(1) Establish dedicated feedback and grievance redressed mechanisms to correct any error and handle/receive complaints speedily and efficiently. (2) MFIs must inform clients about the existence and purpose of these mechanisms and how to access them. (3) Designate at least one grievance redressal official to handle complaints and/or note any suggestions from the clients and make his/her contact numbers easily accessible to clients. (4) Where complainants are not satisfied with the outcome of the investigation conducted by the concerned MFI into their complaint, they shall be notified of their right to refer the matter to the grievance redressal mechanism established by the Industry Associations.

2.2 Ujjivan Institutes a Customer Service Department

Considering the rapid growth of Ujjivan in 2009, Mr. Samit Gosh (Promoter of Ujjivan) decided to create a separate service quality department to strengthen their customer service and relationship with clients. Mr Gosh also felt that improving the customer service would provide Ujjivan with an opportunity, not only to retain their valued customer base but also distinguish them in the microfinance industry. Since microfinance industry is a people centric industry, where behavior and service focus on frontline staff are critical for customer satisfaction the Service Quality Department was structured to deepen and create a meaningful relationship with their clients.

Before the establishment of the service quality department, Ujjivan grievance redressal system mainly comprised of suggestion boxes and toll free numbers. However, the clients were not always aware on how to register their complaints and very few complaints and feedbacks were received and hence the Service Quality Department was given the responsibility of creating a more proactive system of grievance redressal. The Service Quality Department is headed by the Service Quality Manager and supported by a team at regional and branch level. For more information refer Box 1.

4 http://rbi.org.in/scripts/NotificationUser.aspx?id=7493&Mode=0#8
Grievance Redressal Policy of Ujjivan

Going beyond what was necessary to meet regulatory guidelines, Ujjivan’s policy also facilitates the creation of multiple channels for receiving complaints (described in section 2.4, below). Over time, the policy has evolved to address both regulatory changes and improvements to the complaints mechanisms.

Ujjivan Grievance Redressal Policy describes the following:

- **Objectives of the complaints mechanisms**
  Describes the objective of the complaint resolution system which included not only to receive feedbacks from clients, address them promptly and to use the feedbacks to make changes in product and services of a product.

- **Descriptions of the various complaints mechanisms:**
  This section describes the various channels, that Ujjivan has instituted like the Complaints/Feedbacks received by CCRs in field, Customer Call in and Customer Branch Walk ins.

- **Escalation matrix**
  Defines the process flow of escalating complaints.

- **Timeline for responding to client complaints.**
  Defines the time in which all complaints need to be closed.

- **Flow Chart of complaint resolution system.**

- **Internal processes**
  Shows how grievances are categorized on the basis of their severity and criticality.

- **Staff roles and responsibilities.**
  Defines roles and responsibilities of staff handling complaints or feedbacks.

- **Staff Training.**
  Describes how staff handling complaints will be trained.

- **Use of Client Complaint and Feedbacks.**
  Provides information on how often the data will be analyzed, published and shared with the Board of Directors.

### Multiple Channels for Complaint Resolution

Ujjivan has five mechanisms through which clients can make complaints or ask questions:

1. Customer Care Representatives
2. Written complaints
3. Customer Connect Program
4. Helpdesk/Phone line
5. Customer exit interviews

#### Multiple Channels for Complaint Resolution

In 2009, Ujjivan established ‘Customer Care Representatives’ (CCR) at selected branches as part of a pilot initiative to set up the Service Quality Department. Initially, the CCR mechanism was launched with a focus to reduce turnaround time on loan applications. The CCR was primarily involved in reviewing loan application forms and ensuring their accuracy before forwarding the application forms to the back-office for processing. However, as loan processing was streamlined and field staff was trained accordingly, loan turnaround time was no longer an issue that needed dedicated attention from the CCRs.
At this point, the focus of the CCR program was realigned with an increased focus on clients facing activities and today more than 80 percent of the branches have a CCR. As the name suggests, the CCR has assumed the key responsibility of caring for clients. The CCR is responsible for receiving client complaints and suggestions and for addressing client queries at the branch level. Clients feel comfortable walking in to the branch and directly addressing their queries to the CCR. CCRs are required to make field visits and attend a certain number of center meetings. After the center meetings are completed, the CCR is introduced to clients as the “go-to person” for questions and complaints. The CCR also proactively seeks feedback from clients on various aspects, including asking them if they have any complaints. All verbal complaints are recorded by the CCR in a slip and are uploaded in the ‘V-Tiger Tool’—a software solution for customer complaint management. This software is created by Ujjivan with help from a software company and is not publicly available. (see Section 3.1 for more information on this tool).

The CCR also conducts exit interviews for clients and attends customer walk-ins and call-ins. Additionally the CCR supports delivery of credit-plus services such as financial literacy training and opening of bank accounts. As part of routine activities, the CCR also facilitates efficient operations by conducting quality checks for loan documentation. Currently, the CCRs spend 60 percent of his/her time on customer interactions and the remaining 40 percent is devoted to supporting backend activities.

Ujjivan has designed role specific Key Performance Indicators to evaluate CCRs performance. The Service Quality Department monitors achievement of preset CCR targets in terms of client interaction and is responsible for recruitment, training and placement of CCRs.

2.4.2 Written Complaints

Customers can also submit complaints using a written complaint form, at the branch. Customers can pick the form from any branch office and submit it to the Customer Care Representative or the Complaint Resolution Officer directly. The Service Quality Manager of each Region is designated as the Complaint Resolution Officer. He/she is responsible for overall management of complaints process at the Regional Office and ensuring all customer grievances are addressed within the promised time. The Regional Officer also submits periodical reports on customer grievances to the regional/national leadership team and monitors whether the complaints are effectively resolved through the monitoring tool.

2.4.3 Customer Connect Program

All Regional and Head Office staff are required to spend a designated number of days on the field in a year, based on their designation and department. This ‘Customer Connect’ policy encompasses staff from data entry operators to the CEO.

2.4.4 Helpdesk Phone Line

Prior to setting up a Service Quality Department, Ujjivan already had a helpdesk which was dedicated to answering queries on loan processing. Since Ujjivan has a centralized loan processing model, the desk was mainly used by the branches to check the loan status on the approval or sanction of loan applications and other specific customer transaction related issues. After the Service Quality Department was established, the helpdesk was re-aligned to take calls from customers, using a toll-free number.
BOX 2

A Day in the Life of a Customer Care Representative at Ujjivan

Customer Care Representative (CCR) Thilaka has been with Ujjivan since the last 4 years. She first started as a Customer Relationship Staff (CRS i.e. Loan Officer) and was later promoted to CCR position based on her skills and commitment to customer service. Currently she is working at Lingarajapuram branch in Bangalore city.

Thilaka begins her day by marking her attendance at 8.00 a.m., and then starts checking her mails. As a routine, she gets mails from the regional helpdesk seeking clarifications on the loan applications that are pending with the Regional office because any errors or queries. The CCR connects with the concerned CRS and provides requisite clarifications. Thilaka also checks for any pending customer enquiries and complaint in the centralized software system ‘V-tiger’. She is quick to follow up on pending issues for example, one of the women had complained on a delay in getting the insurance claim settlement for the death of her spouse. Thilaka immediately escalated the case to Insurance Manager at the Regional Office and Service Quality supervisors, seeking resolution at the earliest.

During the first half of the day, there are fewer customer walk-ins as most are engaged in productive vocations during this time. So Thilaka uses this time for meeting customers in the field. She visits Center Meetings and educates clients on CCRs services and seeks their feedback and grievance, if any. She also conducts Exit Interviews for dormant (idle) and dropout customers and helps customers to open saving accounts with a bank. Thilaka follows a weekly plan and accordingly schedules her activities for the day.

Today, she is tasked with the responsibility of meeting 12 dropout/dormant customers. Thilaka was able to meet 8 out of 12 customers. She conducted exit interviews on one to one basis to ensure privacy. After enquiring for the reasons for drop out Thilaka tries to convince the client to come back and resolve any issues they may have. She also checks if the client issues are related to business, multiple borrowings or reduction in cash flows. On her return to branch, Thilaka presents her findings to the Branch and Program manager and makes recommendations.

After finishing a quick lunch by around 1pm Thilaka is back at her desk (located at customer waiting hall) and checks the mail box. A stream of clients start trickling in and she attends to them patiently in addition to telephonic enquiries. She also makes sure to upload all the queries/complaints in the complaint tracker tool. If there are operational queries she tries to resolve them with the CRS or the Branch Manager. The new tool (V-tiger) helps her to automatically assign the complaints to concerned person—for example Insurance Department for delays in claims, Credit team for delay in loans. She also uploads the exit interview results into the system.

Some of her time during the day is also spent or reviewing documentation for loans and helping the cashier in disbursements during the post lunch session. However, at the end of each day she makes sure that she has not missed any documentation for logging customer calls/enquires, exit interviews with details. She also checks if there are any pending tasks for customer complaints that need to be followed up on the next day.

The interactions with customers throughout the day and satisfaction on customers’ face seem to erase Thilaka’s day long work stress as she prepares for her next day!
The Regional Service Quality Manager oversees the operation of the helpdesk, which is open from 9:00 to 18:00, Monday to Friday. All queries/complaints received by the helpdesk are recorded in V-Tiger Tool and are escalated to relevant staff and the Regional Service Quality manager. Complaints registered are resolved telephonically and unresolved matters are escalated for further action and are resolved in the given timeframe.

In 2013, Ujjivan introduced a whistle blower policy. As per this policy, a whistleblower can be anyone associated with the institution—including an Ujjivan employee, a customer, or a third-party such as a member of the wider community. A whistleblower can inform Ujjivan about staff allegedly involved in prohibited activities and breaches of the code of conduct such as fraud, misappropriation of funds, unethical behavior, or mistreatment of customers. In this regard, internal staff or customers of Ujjivan can call Regional Helpdesk or Complaint Resolution Officer and submit their complaint. Ujjivan will investigate the case and take appropriate action. The whistleblower’s identity will remain confidential, if requested.

2.4.5 Customer Exit Interviews

Client exit is a critical part of collecting feedback and complaints. Ujjivan CCRs conducts client exit interviews with the purpose of retaining good clients and identifying any service defects or group problems. Ujjivan categorizes exit clients as “controllable” (centre meeting attendance, loan size, interest rates, service defects etc.) and “uncontrollable” (house shifting, do not need a loan, multiple borrowing, etc.). Ujjivan focuses on ways to prevent “controllable” exits. For example, one of the top reasons for exit has been ‘weekly and bi weekly attendance of Centre Meetings’ (~20% of clients interviewed). Ujjivan began offering a monthly repayment meeting option to its clients, and the proportion of clients dropping out due to this reason reduced to ~2%. This analysis is taken up at a regional level on a monthly basis and the Service Quality Manager presents the results to the Regional Leadership Team.
3.1 Development of Customized Complaints Software

Ujjivan’s focus from the beginning has been to ensure that all feedback from clients including queries and complaints/suggestions are effectively recorded and resolved in a timely manner. In 2009, when the Service Quality Department was initiated, all complaints were recorded in a simple Excel tracking sheet. However, this method had significant limitations, including:

- The system did not allow supervisors to easily track the closure of complaints
- It did not allow Ujjivan to automatically differentiate between routine queries (such as loan disbursement schedule) and serious complaints (such as staff fraud or misbehavior)
- It was difficult to manage the consistency of the data inputs, across branches
- In the future, it would be difficult to manage high volume with the system

Given the uniqueness of the CCR system, Ujjivan commissioned a software service provider to develop a fully customized software to effectively manage the feedback flow from customers through the CCRs. The ‘V-Tiger Tool’ is software which allows only the CCRs and regional helpdesks to log complaints. All complaints which are logged in can be viewed by the Regional Service Quality Manager on the same day. This enables the Service Quality Department to monitor the complaint resolution process more closely.

The system can handle 300+ users and 20,000+ tickets per month and has the potential to scale up further. Users can assign tickets to person or department from V-Tiger tool itself. As the system is LDAP integrated and e-mails are auto-generated, CCRs and helpdesk staff are not required to send separate e-mails for pending/critical queries to relevant department, reducing executive the workload by 25 percent. Also, the system automatically escalates pending complaints after certain period to the next-higher level supervisors. The tool also has an automated dashboard on key numbers and trends and customized filters for data viewing/extraction based on aging tickets, critical tickets etc.

3.2 The Process of Registering Complaints in the System

On receiving a complaint, a CCR or regional helpdesk staff logs the complaint into the V-Tiger tool. After the complaint is logged in the tool, a reference number is generated, which is passed on to the customer, for their reference. The CCR is then responsible for communicating the complaint to the relevant staff (‘owner’), who is responsible for resolving the complaint. V-Tiger automatically generates an email to notify the ‘owner’ about the complaint assigned to them.

Once the complaint is assigned to an owner, Ujjivan requires that the complaint be addressed within three working days, at which time the resolution should be conveyed to the customer.

In the case of a complaint the remains unresolved after the stipulated period, the V-Tiger...
escalates the complaint to the Service Quality Department Team Leader, so they are aware of the outstanding issue. If a complaint continues to remain unresolved after 10 working days, the matter is intimated to the Chief Operations Officer (COO).

In event when staff of Ujjivan are in the field and have encountered an issue that a group of customers have faced then the staff uses the internal complaint form to send these complaints to the helpdesk or complaint resolution officer of the region.

Finally, V-Tiger also tracks CCR activities including number of client interactions through field visit, walk in queries, center meetings attended, exit interviews conducted, etc. Ujjivan also has a policy of compulsory targeted field visit for all staff (operations and back-end) and has developed a centre meeting checklist to record customer feedback during these staff visits. There is a provision in U-Connect, an Ujjivan employee portal, to record the feedback collected from all such field visits and any actionable inputs are channeled to specific staff members for further analysis by the Service Quality Department.
All staff is trained on the Code of Conduct and complaint resolution process. A training of trainers is conducted for Program Managers, Area Managers and Distribution Managers. The Program and Area managers are in turn required to conduct a comprehensive training for all branch staff. The Service Quality Department is also required to train CCRs and other field staff including staff from the Audit and Vigilance Department.

Initially, when the CCRs were entrusted the responsibility of handling clients’ complaints, they had difficulties in fulfilling their responsibilities due to branch dynamics. Within the branch, the customer relationship staff (loan officers) felt threatened by the CCR’s responsibility of actively soliciting complaints/suggestions. Therefore, the Service Quality Department trained all the branch staff on how the CCR could help find and solve problems and responsibilities, demonstrating how the CCR would benefit the branch portfolio and functioning.

Ujjivan feels that training is essential to the success of the CCR approach. As such, the Service Quality Department conducts refresher courses every three months to ensure that the CCRs are implementing their responsibilities effectively and to make sure that there are no conflicts at the branch level.

In addition, special customer protection workshops have been organized for staff across all branches, wherein the Code of Conduct is explained and the importance of a complaints resolution is emphasized to all staff. A declaration of ethical behavior was signed by each of the participants who attended the workshops.

Finally, the Service Quality Department has also developed a ‘soft skills’ training module which is aimed at equipping field staff with tools and techniques to deal with difficult customers and provide guidelines on etiquette while dealing with clients. This training was snowballed to all existing client-facing staff and has been included as part of the induction training for all staff including CCRs.
After realizing that many clients either did not know or did not remember how to complain, Ujjivan began using multiple channels—both written and verbal—to ensure that clients clearly understood how where to file their complaints. Awareness building begins from the time of promotional meetings and continues throughout the client’s relationship with the institution.

5.1 **Brochures Include Toll-Free Helpdesk Number**

Ujjivan provides comprehensive brochures to prospective clients. These brochures double as marketing materials and as complaints information, as all brochures include the toll free helpdesk numbers (see Figure 3, below).

**FIGURE 3**

Brochures Provide Toll-Free Helpdesk Number
5.2 Flip Cards Demonstrate the Complaints Procedure

Ujjivan provides flip cards to clients in their vernacular language. The Customer Relationship Staff are responsible for explaining the content of the flip card at the time of distributing them during center meetings.

5.3 Plastic Pouches and Loan Agreements Include Complaints Information

Information on the complaints mechanisms is printed on plastic pouches provided to individual customers to house their loan cards/agreements securely. The helpline/CCR details are also printed on loan agreements. During disbursements the customer care representative guides the clients to the information printed on the pouches and agreements, and explains the use and working of the different channels.

Ujjivan has witnessed a three-fold increase in the number of customers use its complaints mechanisms between the first and last quarter of 2012–13 (see Figure 4, below). Ujjivan attributes this change primarily to its efforts in educating its clients on the mechanism through distribution of flip cards and plastic pouches at client meetings.

5.4 Posters Provide Complaints Information

Finally, Ujjivan places a poster like the one in Figure 5 (on the following page) in every branch, in the vernacular language.
FIGURE 5

Posters in Branch Offices Give Complaints Information

**FAIR PRACTICES CODE & CODE OF CONDUCT**

- All our dealings with customers will be open, fair and ethical
- We will treat all our customers with respect
- We shall explain to our customers in a clear & understandable manner:
  a. All the features, benefits, terms and conditions of our services
  b. Pricing of our services including all fees, charges and interest rate on an annual declining basis
  c. All documents required to be submitted with application which should also be listed in application form
  d. Provide acknowledgement of receipt of loan application and process timelines
- We will make our best efforts to ensure that the loans we provide are within the customer’s capacity to repay and avoid over-indebtedness.
- We will provide customers with a complaint resolution system to register their complaints and resolve it in a timely & fair manner.
- We will not follow coercive collection practices:
  a. We will obtain from collecting at odd/late hours or during bereavement / sickness of customers
  b. We will not behave rudely / aggressively or use muscle power during collection
  c. We will provide valid acknowledgement/receipt for all payments received
- We will respect our customers' privacy and will treat customer information as private and confidential.
- We will ensure that changes in interest rates / charges are in effect only for future loans. Changes in rates / charges will not affect existing loans.
- We will ensure that the rates of interest & charges are in accordance with Reserve Bank of India guidelines

**GRIEVANCE REDRESSAL PROCEDURE**

- Customers who wish to send in complaint/feedback over any issue can use the following channels.

  **LEVEL 1:** Customer Care Representative / Customer Relationship Manager
  Please contact Customer Care Representative or Customer Relationship Manager at the branch or you can call them at branch landline number

  **Branch Landline Number:**
  Timings: 9 am & 1 pm on week days

  **LEVEL 2:** Customer Service Help Desk
  If you are not satisfied with the response received from the branch or if you don’t receive a response in 3 working days, please call our Help Desk Representatives available on the phone to register your complaints

  **Toll Free No.:** 1800 3010 2121
  **Timings:** 9 am & 1 pm on week days

  **LEVEL 3:** Grievance Redressal Officer
  If you are not satisfied with the response from customer service helpdesk or if you don’t receive a response within 7 working days, please call or write to Grievance Redressal Officer. You will receive a response within 5 working days of Grievance Redressal Officer receiving the complaint.

  **Grievance Redressal Officer**
  Ujjivan Financial Services Pvt Ltd
  14, Jakkashandra Extension,
  Sarjapur Main Road, Koramangala 1st Block,
  Bangalore – 560 034, Karnataka
  **Contact No.:** 080-4071 2173
  Email: helpdesk@ujivan.com

  **YOU CAN CALL US TO COMPLAIN WITHOUT MENTIONING YOUR NAME AND PERSONAL DETAILS (ANONYMOUSLY). WE WILL INVESTIGATE AND TAKE APPROPRIATE ACTIONS.**
The Service Quality Department is responsible for conducting data analysis on trends/comparisons and other key metrics and publishes monthly reports for the Regional and National Heads. Quarterly reports are also published to the Board of Directors. (See Figure 6).

The number of queries and complaints received at Ujjivan has continued to increase both in numbers and as a percentage of clients. However the year 2011–12 saw a higher percentage of clients’ record their queries due to the Andhra crisis during which loan disbursements were intermittent due to irregular fund flow. This demonstrates that customers had both the awareness of mechanisms available to record their complaints and the confidence that complaints would not affect their relationship with Ujjivan. Other factors which have led to this increasing trend include expansion of the CCR program to reach a greater number of branches and the customer protection awareness program that Ujjivan rolled out in 2012.

### FIGURE 6

**Examples of complaints analysis prepared by the Service Quality Department**

<table>
<thead>
<tr>
<th>Period</th>
<th>Queries</th>
<th>Complaints</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–11</td>
<td>N/A</td>
<td>N/A</td>
<td>5,456</td>
</tr>
<tr>
<td>2011–12</td>
<td>14,108</td>
<td>1,312</td>
<td>15,420</td>
</tr>
<tr>
<td>2012–13</td>
<td>26,299</td>
<td>906</td>
<td>27,205</td>
</tr>
<tr>
<td>April-June 2013</td>
<td>12,871</td>
<td>381</td>
<td>13,252</td>
</tr>
</tbody>
</table>
When Ujjivan analyzes client queries and complaints, they segregate them based on their severity. Ujjivan defines severity as the intensity of loss to the company and the customer, and differentiates between four levels of severity. Level 1 issues are the most severe, and level 4 issues are the least severe.

Complaints are reviewed at the management level on a monthly basis. Analysis of complaints is broadly categorized by source (channel through which complaint is received). Below are sample extracts from these monthly reviews.

### TABLE 2

**Examples of the severity of client complaints**

<table>
<thead>
<tr>
<th>Level</th>
<th>Examples</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Integrity Issues, Revenue Loss</td>
<td>Employee theft</td>
</tr>
<tr>
<td>2</td>
<td>Disciplinary, Misbehavior concerns</td>
<td>Staff mistreatment of a client</td>
</tr>
<tr>
<td>3</td>
<td>Delays to disbursement, loan application, centre meetings</td>
<td>Client does not receive loan amount expected</td>
</tr>
<tr>
<td>4</td>
<td>Convenience issues—coordination of group meetings</td>
<td>Group members disagree about meeting location</td>
</tr>
</tbody>
</table>

### A. Helpdesk (centralized)

#### 1. Classification of Queries by Source

<table>
<thead>
<tr>
<th>HELPDESK QUERIES</th>
<th>CALL IN</th>
<th>MAIL IN</th>
<th>WALK IN</th>
<th>GRAND TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Classification of Complaints and Queries

3. Reasons for Customer Complaints (Example of a Template Report Generated)

<table>
<thead>
<tr>
<th>REASONS FOR COMPLAINTS</th>
<th>NUMBER</th>
<th>% TO TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Delay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Rejection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rude Staff Behavior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Claim Settlement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Response</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
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<td></td>
</tr>
<tr>
<td>Fraud</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
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</tr>
</tbody>
</table>

4. Reasons for Customer Queries (Example of a Template Report Generated)

<table>
<thead>
<tr>
<th>REASON FOR CONTACT</th>
<th>TOTAL</th>
<th>% DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement Details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Clarification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Related Queries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Loan Clarification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligibility Request</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pending Loan Clarification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Account Details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Delay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
B. Through CCRs (stationed at the branches)

1. Classification of Complaint Queries through CCRs (example)

2. Reasons for Customer Complaints CCRs (Example of Template Report Generated for a specific month)

<table>
<thead>
<tr>
<th>REASON FOR CONTACT</th>
<th>NUMBER</th>
<th>% DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Delay</td>
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<td></td>
</tr>
<tr>
<td>Process Delay</td>
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<td></td>
</tr>
<tr>
<td>Loan Account Details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaint on Branch Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merging not done/incorrect customer details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaint of Branch Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No response from field staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
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</tbody>
</table>

3. Reasons for Customer Queries (Example of Template Report Generated for a specific month)

<table>
<thead>
<tr>
<th>TYPE OF QUERIES</th>
<th>NUMBER</th>
<th>% DISTRIBUTION</th>
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</thead>
<tbody>
<tr>
<td>Loan account details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD Clarification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Delay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual loan clarification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre closure loan clarification</td>
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<tr>
<td>Insurance related queries</td>
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<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To understand the value of Ujjivan’s complaints mechanisms, the Smart Campaign conducted in-depth interviews of Ujjivan staff and four focus groups discussions involving approximately 100 clients. The findings highlight the business case for complaints mechanisms.

- **Building a culture of excellence in Service.** By implementing complaints mechanisms through CCRs at the branch level, rather than creating a centralized model, Ujjivan has built a service culture among frontline staff.

- **Operational efficiency.** Staff productivity at Ujjivan has risen steeply from 400 borrowers per loan officer to 700 borrowers in matured branches. Interviews with loan officers suggest that this jump has been made possible by the introduction of a CCR in each branch. CCRs allow loan officers to focus exclusively on fulfilling business transactions, rather than also dealing with myriad customer service issues. This improvement in productivity has also helped Ujjivan align itself to the stringent RBI norms on MFI margins.

- **Customer Retention.** CCRs have been able to convert 30% of inactive clients into borrowers and have aided in preventing exits by proactively resolving the queries/complaints of customers who intended to exit.

- **Use of client feedback to improve operations/products.** Timely feedback has helped Ujjivan to make proactive changes in its policy and processes. For instance, Ujjivan allowed its customers to attend only one center meeting per month as per their demand—a move that eliminated client losses associated with attending four meetings a month. Similarly, Ujjivan made changes in group sizes and individual loan products terms. These changes have resulted in higher customer retention rates and improved customer satisfaction.

- **Positive reputation in the market.** Ujjivan has built its brand in the microfinance industry as a client focused institution. The majority of clients have a very strong relationship with the institution and are willing to publicly support the institution in times of crisis.

  With a functioning credit bureau and regulatory norms capping the number of microfinance lenders to a borrower at two, it is becoming increasingly important for MFIs to differentiate themselves from competitors. In this context, many customers perceive Ujjivan’s strength as the quality of staff interaction—including at the branch. The CCR plays a key role in ensuring a happy branch experience for customers. As the CCR is responsible for welcoming/guiding all customers at the branch, customers do not feel out of place even in the absence of the concerned CRS. This acts as a comforting factor and customers indicated that in several other places they are largely dependent on the presence of their concerned field staff for a smooth branch experience.

- **Positive market position.** Effective implementation of clients complaints mechanisms has made Ujjivan one of the most respected MFI not only by its clients, but among investors and bankers too. In the post AP crisis market, most investors and bankers examine client protection practices during their due diligence; Ujjivan is in advanced position to meet these standards.