

UNITED GULF BANK B.S.C. (c)



**Complaints / Dispute Resolution
Policies and Procedures**

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1. Introduction

The Central Bank of Bahrain (CBB)'s rulebook - Volumes 1 requires banks in Bahrain to 'have appropriate customer complaints handling procedures and systems for effective handling of complaints made by customers.'¹ Customer complaints procedures have to be documented appropriately and customers have to be informed of their availability.² These include setting out in writing:

- (a) The procedures and policies for:
 - Receiving and acknowledging complaints.
 - Investigating complaints.
 - Responding to complaints within appropriate time limits.
 - Recording information about complaints.
 - Identifying recurring system failure issues.
- (b) The types of remedies available for resolving complaints and
- (c) The organizational reporting structure for the complaints handling function.³

The objective of this policy and procedure (PPM) is to document United Gulf Bank B.S.C. (c) (UGB, the Bank)'s complaint resolution procedures and make these transparent and easily accessible. **A copy of this PPM is available in the 'Investor Relations' Section on the Bank's website www.ugbbh.com⁵**, so that it is accessible to all customers and UGB staff. The PPM is approved by UGB's Board of Directors and is reviewed once in two years.

2. Scope

The scope of the Module encompasses complaints and disputes raised by UGB's customers and vendors. It also includes grievances for parties using UGB's brokerage services. This complaints policy is limited to UGB's products and services offered in the Kingdom of Bahrain. It does not include the Bank's subsidiaries or associates who have in place their own dispute resolution channels, practices and policies.

¹ BC 9.1.1 – CBB Rulebook, Volume 1

² BC 9.1.2

³ BC 9.2.1

⁴ BC 9.2.2

⁵ BC 9.2.2

3. Definitions

A **customer complaint** includes:

- i) Contravening or failing to comply with any instruction given by the client, or any agreement or mandate entered into with the client.
- ii) Delay in the execution of instruction or any agreement or mandate entered into with the client.
- iii) Acting dishonestly, negligently or recklessly.
- iv) Treating the client or vendor unreasonably or unfairly; or
- v) Breaching confidentiality rules of the customer thereby contravening the data privacy laws of the Kingdom of Bahrain.⁶

For the purposes of this PPM, the term 'complaint', 'dispute', and 'grievance' are used inter-changeably.

The Complaints Officer

UGB's Chief Compliance Officer (CCO) is the designated Complaints Officer of the Bank.

4. Guiding Principles

UGB is committed to ensuring that the following principles are incorporated in the fair, prompt and effective handling and resolution of complaints.

- 1) **Visibility**⁷ - This refers to the process of informing customers and other parties aware of how and where to complain. The 'Investor Relations' section has a sub-section on Dispute Resolution which informs the client/investor about the Bank's procedures for handling complaints. This contains details of how and where to lodge a complaint.

⁶ Section 9.2.2 - Market Rules of the Bahrain Bourse
⁷ BC 9.3.2

- 2) Accessibility⁸ – The Bank’s complaint lodging process on its website is easily and readily accessible to all clients. This provides information and assistance related to making and resolving a complaint, providing a copy of the dispute resolution procedures and providing supporting information.

Clients/ investors have the flexibility of lodging a complaint on the website through the email ID : complaints@ugbbah.com or by writing to the Chief Compliance Officer at UGB Tower, Diplomatic Area, PO Box 5964, Manama, Kingdom of Bahrain.⁹ Complaints can be dealt with in either English or Arabic, to ensure that the special needs of certain customers are addressed. Should customers require help or support in interpreting the complaints procedure, they can contact the Chief Compliance Officer.¹⁰

- 3) Responsiveness¹¹ - The Bank will ensure the acknowledgment of all complaints either through email or in writing within **five working days** of receipt¹². They will be addressed promptly and courteously¹³ in chronological order i.e. complaints will be investigated serially in order of the date that they were lodged. If the complaint involves a court of law or an enquiry from a regulatory authority or is of an urgent nature, it will then be addressed earlier with higher priority.

The complainant will be kept informed of the progress of the complaint¹⁴ by adhering to the Bank’s internal timeframe of **thirty working days** for resolution. In the event that further details or supporting documentation from the complainant is required to address the issue, this will be directly communicated to the complainant by the complaints officer.

- 4) Objectivity, Efficiency & Impartiality¹⁵– The Bank confirms that all cases are handled with complete compilation of facts and free of bias. The general principles of objectivity in the complaints handling process include openness, impartiality, accessibility, completeness, equitability, sensitivity, objectivity for personnel, confidentiality, transparency in charges and accountability.¹⁶ It will be customer focused.

The complaints process will be separated from the disciplinary process and complete confidentiality will be maintained at all times. The Bank ensures that

⁸ BC 9.3.3

⁹ BC 9.3.4, BC 9.3.5

¹⁰ BC 9.3.6, BC 9.3.7

¹¹ BC 9.3.10, BC 9.3.11

¹² BC 9.5.1

¹³ BC 9.3.12

¹⁴ BC 9.3.13

¹⁵ BC 9.3.16

¹⁶ BC 9.3.17

adequate systems and controls are put in place in order for it to identify and remedy any recurring or systemic problems identified from the complaints.

- 5) Confidentiality – The process will ensure confidentiality for customers/ vendors who made the complaint as well as for staff who may be cited in the complaint. In order to validate and authenticate the identity of the complainant, he/she will be asked to share documents concerning personal data. The Bank assures complainants that in accordance with the requirements of the Personal Data Protection Law of the Kingdom of Bahrain, such data will be kept secure and protected against unintentional or unauthorised disclosure or access, accidental loss, unauthorised alteration, tampering and corruption, or any other form of processing.

Under the PDPL, customers and vendors have the right to access or correct any information the Bank collects and processes or request that personal data be deleted, blocked or corrected. The Bank shall process such request free of any charges, if accepted, within a period of 15 days provided that this request is compliant with Bahrain Laws and CBB regulations. The CBB's rules specify a minimum record retention period for five years from the date when the transaction was completed.¹⁷ It should be noted that for brokerage transactions where UGB acts as the intermediary, all relevant books and other information, as may be required by the CBB and/the Bahrain Bourse, should be kept for a minimum of 10 years.¹⁸

5. Internal Dispute Resolution Process and Redress of Complaints.¹⁹

UGB's Board of Directors has specifically designated the Chief Compliance Officer to ensure accountability for reporting on actions and decisions with respects to grievances. The CCO is a senior staff who by the nature of her responsibilities is independent of the parties to the complaint,²⁰ as she reports directly to the Board Audit Committee. The CCO also has direct access to the Chief Executive Officer (CEO) who is the final authority in resolving a complaint. The Bank has an established and approved business continuity process whereby the Complaints Officer can still receive complaints through the same means outlined in the document. In cases where the CCO is unable to respond, the Head of Operations will be notified, and he will serve as a temporary backup²¹.

¹⁷ OM 6.2.1

¹⁸ MIR4.6.2

¹⁹ BC 9.4

²⁰ BC 9.1.3

²¹ BC 9.4.1 (f)

UGB Staff who receive any complaints addressed to them directly, should keep the matter confidential and immediately forward all letters and other supporting documents related to the complaint to the CCO. In her absence, this matter should be communicated to the Chief Audit Executive and Corporate Secretary, as he has access to the email address complaints@ugbbah.com.

The following processes will be followed for the receipt and recording of complaints²²:

- 1) Complaints addressed by external parties to UGB staff, should be forwarded to the CCO in person or via email for investigation and resolution. The CCO has a direct reporting line to the Board Audit Committee and has access to the Chairman of the Board of Directors for AML related purposes and issues. This ensures that complaints are handled by a senior member of management with no conflict of interest.
- 2) Complaints received through the complaints@ugbbah.com or through the post, will be recorded in an electronic complaints register maintained by the CCO titled 'Complaints Register'. Details with respect to the date of receipt, the name of complainant, reference # of the letter (if applicable), the substance of the complaint, the status of the complaint (i.e. Open/closed), a scanned copy of the actual email/letter and any other feedback received from the complainant will be maintained.
- 3) The entire set of correspondence will be maintained in digital format in a secured path under the Compliance Folder in Publish. .
- 4) The CCO will acknowledge all complaints received through forms (online), e-mail or in writing, by writing to the customer along with a reference number within **five working days of receipt** of the complaint.²³ The complainant will be provided contact details, key particulars of the complaints handling procedures and a statement that a copy of the policy and procedures and the complaints handling process will free of any charges on the complainant.
- 5) Internal Audit will be informed of all complaints and will be consulted for assistance during the investigation. The legitimacy of the complaint will be determined at the initial stage with their assistance, to ensure that the claim is genuine and not submitted due to malicious intent on the part of the complainant.

²² BC 9.4.1,

²³ BC 9.5.1



- 6) Appropriate investigation of the complaint will be conducted by the CCO after reviewing all material facts along with underlying evidence, relevant correspondence and documents. Upon determination of facts, a written report will be compiled and submitted to the CEO within two weeks of receiving the complaint. This will explain the Bank's position and a recommendation as to how the complaint should be dealt with. Any delays in meeting the deadlines will be communicated to the CEO along with an appropriate explanation as to the reasons for the delay. All instances of non co-operation by the department or employees of UGB whose assistance / feedback is required to solve the complaint, will also be escalated immediately to the CEO.
- 7) The above report will be the basis of an appropriate decision making process in relation to the response to a client grievance. The decision will be approved by the CEO within three weeks from the date of receipt of the complaint.

6. **Timely response on complaints**

A response will be sent to customer in writing, within four weeks of receiving the complaint explaining the Bank's position and how the complaint will be dealt with. Clear terms of redress will be explained if applicable²⁴. The Bank will comply with the terms of redress if accepted by the complainant.²⁵ The means of communication can be electronic and/or through courier. A copy of the letter will also be stored electronically in the customer's file and in the Complaints Register.

7. **Redress**

The final response to the complaint will include the Bank's proposals for any redress if deemed necessary and appropriate to resolve any grievances. The Bank's position on this matter will be outlined clearly to the complainant including any steps that will require to be taken by the complainant.

If the Bank deems Redress in the form of compensation as appropriate in resolving the complaint, UGB will provide the complainant with fair compensation and will comply with the terms of compensation made to the complainant if the redress is accepted.

²⁴ BC 9.5.2, BC 9.5.3

²⁵ BC 9.5.4

If the bank deems that redress be in a form other than compensation (e.g. Apology letter), is appropriate in resolving the grievance, it will provide the redress as soon as practicable²⁶.

Redress in any of the above noted forms will have to be accepted by the complainant for it to be valid. Should a compliant not be satisfied please refer to section 8 “unresolved complaints”.

8. Unresolved Complaints

A customer’s complaint is deemed to be unresolved if the complainant is not satisfied with the resolution proposed by UGB. In such cases, the customer has the right to approach the Consumer Protection Unit at the CBB. This can be done by accessing the online complaint form on <https://www.cbb.gov.bh/consumer-information/#complaint>.²⁷

An application for initiating an investigation with the CBB can only be made by the complainant upon demonstrating that:

1. An attempt has been made to resolve the matter through the Bank’s internal dispute resolution procedure, but the matter has not been resolved to the satisfaction of both parties.
2. Every effort has been made by the Bank to resolve the complaint in an amicable manner.
3. The complainant must forward the complaint to the Consumer Protection Unit at the CBB within **30 calendar days** from the date of receiving the Bank’s final response.

9. Unresolved Complaints lodged with the Bahrain Bourse

1. Unresolved complaints pertaining to the brokerage function of UGB and involving trading of securities on the Bahrain Bourse, can be escalated to the Bourse if the grievance is lodged within **6 months of receipt** by the complainant of the response from UGB and **within 12 months of the conduct** by the Bank.²⁸
2. Grievances which are lodged subsequent to the period referred to above will be considered by the Bourse, provided that the failure to lodge the complaint within the relevant period was through no fault of the client.

²⁶ BC 9.5.5

²⁷ BC 9.3.15

²⁸ Section 9.3 – Market Rules of the Bahrain Bourse

3. The Bahrain Bourse may request UGB and the complainant to provide copies of all relevant correspondence and documentation that is required to review the complaint. The Bourse will also send a copy of the complaint to the Capital markets Supervision Directorates of the CBB for information and will submit a report of the final resolution of the complaint.²⁹

It should be noted that the following complaints and disputes cannot be brought before the Bahrain Bourse:

- Commercial decisions not related to market transactions
- Pricing policies and other policies such as interest rates and fees
- Cases under investigation by any law enforcement agency, including cases where allegations of fraud or criminal activity have been made and where the matter has been referred to the police for investigation
- Complaints that are more than 6 months old after UGB's final reply
- Complaints that have been settled privately between UGB and the complainant
- Cases which have been subject to a court hearing and for which a court judgement and/or order has been passed.

4. To initiate an investigation of a dispute and to require the Bourse to resolve the dispute, the complainant must complete forms given by the Bourse and submit the same along with the factors for the case and evidence in support of the claims made by the complainant.
5. A final reply is a letter or other written document issued by UGB to the complainant, which expressly states that it is the Bank's final replay and which expressly informs the complainant that if he/she disagrees with UGB, he/she can contact BHB for assistance within 6 months from the date of the said letter or other written document.³⁰

Every effort will be taken by the Bank to ensure that the number of unresolved complaints referred to the CBB / Bahrain Bourse are minimized and that recurring system failures are identified, investigated and remedied.³¹

The Bank is also committed to co-operating with regulatory authorities and providing them with all relevant data, materials, documents and correspondence

²⁹ Section 9.3.4 – Market Rules of the Bahrain Bourse

³⁰ Section 9.6.2 – Market Rules of the Bahrain Bourse

³¹ BC 9.5.4

related to the complaint, upon a written request made by the regulatory authorities. A copy of the report compiled by the Bank upon conclusion of its investigation into the dispute first raised to it by the complainant in full, the grounds of its decision and other supporting information will also be provided.

10. Follow Up

In conjunction with other Department Heads, the CCO will ensure that adequate systems and controls are put in place for assisting the Bank to identify and remedy any recurring or systemic problems identified from complaints. The Dispute and Resolution Policy will be reviewed and updated at least once every two years or as and when there are significant changes to the policies. This ensures that there is continuous improvement of the complaints handling process.³²

11. Record Retention

In line with regulatory requirements the bank will adhere to maintaining records on

- (a) The identity of the complainant;
- (b) The substance of the complaint;
- (c) The status of the complaint, including whether resolved or not, and whether redress was provided. This will be kept for a minimum retention period for five years from the date when the transaction was completed. It should be noted that for brokerage transactions where UGB acts as the intermediary, all relevant books and other information, as may be required by the CBB and/the Bahrain Bourse, should be kept for a minimum of 10 years.

The requirements to keep protect and process personal data will be upheld in line with the requirements of the Laws of the Kingdom of Bahrain and regulatory rules.³³

12. Quarterly Reporting

External Reporting:

In accordance with the CBB's requirements, a quarterly report will be submitted to the CBB's Consumer Protection Unit (complaint@cbb.gov.bh) within 20 days after the end of the quarter. The report will summarise:

- (a) The number of complaints received;

³² BC 9.3.17

³³ BC 9.6.1



- (b) The substance of the complaints;
- (c) The number of days it took UGB to acknowledge and to respond to the complaints; and
- (d) The status of the complaint, including whether resolved or not, and whether redress was provided.³⁴

In the event there are no complaints received during the quarter, a 'nil' report will be submitted by the CCO to the CBB's Consumer Protection Unit. Copies of these will be saved in the regulatory register.

Internal Reporting:

The CCO's report to the BAC should contain a section on Customer Complaints containing the above-mentioned details. In the event there are no complaints received during the quarter, this should be reported as 'nil'.

³⁴ BC 9.7.1, 9.7.2



Appendix 1: Text of the disclosure on UGB's website

Dispute & Complaints Resolution

In accordance with the Central Bank of Bahrain's Dispute Resolution rules, United Gulf Bank B.S.C.(c)'s Board of Directors has designated the Bank's Chief Compliance Officer (CCO) as the **Bank's Complaints Officer** to investigate and handle all complaints, disputes or grievances that customers or vendors might have.

If you have a complaint or grievance, the first step is to contact the Complaints Officer on the email ID complaints@ugbbah.com. All complaints will be acknowledged in writing within **five working days** of receipt. You will be provided with the Bank's complaints handling procedures free of charge.

The Bank will make every effort to resolve your complaint / grievance within **four weeks** of receiving the complaint. You will be advised of the Bank's position, the steps taken for the resolution of the complaint and the terms of redress if applicable. If unforeseen circumstances prevent the resolution within four weeks, you will be informed of the same along with a revised timeframe for the resolution.

If you envisage any conflict of interest with your complaint being handled by the Complaints officer then please direct your complaint inclusive of all material facts to the attention of the Bank's Chief Executive Officer.

Submit a Complaint

complaints@ugbbah.com

The Chief Compliance Officer
United Gulf Bank B.S.C. (c)
UGB Tower, Diplomatic Area
Manama, Kingdom of Bahrain
Tel: +973 17 532688
Fax: +973 17 533137

نص الإفصاح على الموقع الإلكتروني لبنك الخليج المتحد

وفقاً لقرار قواعد "تسوية المنازعات" لمصرف البحرين المركزي، فقد تم تعيين رئيس الإلتزام موظفاً مسؤولاً عن الشكاوى من قبل مجلس إدارة بنك الخليج المتحد ش.م.ب. (م)، وذلك للتحقيق والتعامل مع جميع الشكاوى و المنازعات أو المظالم المستلمة من قبل العملاء والمراجعين.

وفي حالة وجود أي شكاوى أو تظلم، فإن أول خطوة يمكنك القيام بها هي إرسال رسالة على البريد الإلكتروني complaints@ugbbah.com الخاص بمسؤول الشكاوى. وسوف يتم تأكيد إسلام الطلب عن طريق إرسال الرد كتابياً خلال خمسة أيام عمل من إسلام الشكاوى. وستقدم لكم نسخة مجانية من دليل القواعد والإجراءات المتبعة للشكاوى من قبل البنك.

وسيبذل البنك كل جهد ممكن لحل الشكاوى والتعامل مع التظلم خلال أربعة أسابيع من إسلام الشكاوى. ضمن هذه الفترة الزمنية، سوف تقوم بإصدار القرار وشروط التعويض لتسوية الشكاوى إذا كان ذلك ينطبق. وفي حالة عدم وصول الرد خلال أربعة أسابيع نتيجة لوجود أي ظرف طارئ، سوف يتم إبلاغكم بذلك وإرسال الجدول الزمني المعدل لاتخاذ الإجراءات وإصدار القرار اللازم.

إذا كنت تواجه أي تضارب في المصلحة بين صاحب الشكاوى و مسؤول الشكاوى ، يرجى إرسال الطلب وإرفاق الدلائل المادية لعنابة الرئيس التنفيذي للبنك.

وسلم الشكاوى لـ:

complaints@ugbbah.com

رئيس دائرة الإلتزام
بنك الخليج المتحد ش.م.ب. (م)
برج بنك الخليج المتحد، المنطقة الدبلوماسية
المنامة، مملكة البحرين
هاتف: +973 17 532688
فاكس: +973 17 533137

Version Control

Version #	Date Issued	Date of last Board Approval	Originator/ Modified By	Reason for Issue / Re-Issue
1	August 2010	10 October 2010	Compliance	<ul style="list-style-type: none">• Introduction of Module DRA by the CBB
2	April 2013	14 May 2013	Compliance	<ul style="list-style-type: none">• Update of new rules during the period 2010 - 2013
3	March 2015	9 March 2015	Compliance	<ul style="list-style-type: none">• Update of new rules during the period 2013 - 2015
4	November 2016	10 November 2016	Compliance	<ul style="list-style-type: none">• Bi-annual review;• Reference is also made to the CBB's quarterly consolidated report on complaints.
5	July 2017	13 August 2017	Compliance	<ul style="list-style-type: none">• Addition of regulatory rules
6	April 2019	14 May 2019	Compliance	<ul style="list-style-type: none">• Removal of CBB Rulebook Volume 6 references to reflect the fact that the Bank is a closed shareholding company• Acknowledgement of complaints within 5 working days• Changing the process to having the Chief Compliance Officer as the single complaints officer.
7	November 2021	9 November 2021	Compliance	<ul style="list-style-type: none">• References have been added to Bahrain's Personal Data Protection Law.• The time limit for acknowledgements, resolution and unresolved complaints to be escalated to the CBB's Consumer Protection Unit have been incorporated.• Addition of the section of unresolved complaints raised with the Bahrain Bourse, based on new

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				rules issued in 2019. <ul style="list-style-type: none">• Retention period for completed transactions and brokerage transactions have been added.
8	April 2024		Compliance	<ul style="list-style-type: none">• Inclusion of the process of maintaining an electronic register of complaints.• Expansion of the scope to limit the policy to only the Bank's operations.• Adding the role of internal audit in investigating complaints / disputes.• Documenting the need to validate the legitimacy of complaints.• Including the internal reporting process of notifying the BAC of any customer complaints.

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