

Alliance Finance Company PLC

Financial Consumer Protection Policy

**Prepared by Customer Care Unit of
Marketing Department**

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Financial Consumer Protection Policy

1. Introduction

As per the CBSL guidelines, the Financial Consumer Protection Policy is prepared to ensure fairness and reliability for the customers with the products and services that they obtain from the company.

This policy will cover the areas that are relevant to the customers concerning their rights, regulations & conditions pertaining to product/services.

2. Objectives of the Policy

As a leading Financial Institute in the country, the objective of the Financial Customer Protection Policy is to safeguard the interests of customers, while maintaining a strong relationship, and to build customer confidence in the company on its stability and reliability in the financial sector.

3. Financial Consumer Protection

Financial consumer protection refers to the laws, regulations, and other standard measures designed to ensure the fair and responsible treatment of financial consumers, in terms of products and services that they avail with the company.

The Company is required to provide assessable, inexpensive, independent, fair, accountable, fast, and efficient mechanisms for resolving complaints on financial transactions that customers do.

4. Responsibility of the Board of Directors

The Board of Directors of AFC shall be responsible for strengthening its financial consumer protection Policy by:

- i. Creating and following rules to protect financial consumers and making sure these rules follow the guidelines set by the Central Bank of Sri Lanka (CBSL).
- ii. Ensuring that Alliance Finance Company PLC establishes and maintains a robust policy comprising procedures, systems, and resources to effectively implement financial consumer protection policies. This includes internal controls and codes of conduct for both employees and third-party agents appointed by AFC.
- iii. Appointing Key Management Personnel who will oversee the Customer Protection Policy and provide periodic reports to the Board. Currently, this responsibility lies with the Chief Talent Officer (subject to change based on management directives when necessary)
- iv. Ensuring that the Key Management Personnel monitors, and evaluates the financial consumer protection activities, reports to the Board semi-annually, and corresponds with the Central Bank through proper channels.

- v. Establishing and maintaining a robust monitoring mechanism to ensure that all employees and third-party agents appointed by the company adhere to the financial consumer protection requirements outlined in these Regulations.

5. Responsibility of the Key Management Personnel

The Key Management Personnel, as appointed by the Board, will have the following responsibilities:

- i. Implementing effective mechanisms to coordinate with internal business units, ensuring compliance with financial consumer protection policies, regulations, and guidelines.
- ii. Monitoring, evaluating, and reporting on financial consumer protection activities, including analyzing complaint data and operational reports.
- iii. Supervising the operations of agents and third parties involved in providing financial products and services to ensure compliance with consumer protection standards.
- iv. Identifying financial products and services that pose compliance risks related to consumer protection and taking appropriate measures to address these risks.
- v. Ensuring that staff members have the necessary knowledge and expertise to carry out consumer protection activities effectively.
- vi. Providing relevant training to employees, agents, and third parties involved in engaging with financial consumers, covering topics such as regulatory policies, procedures, and systems.

6. Responsibility of the Operational Management Personnel

The responsibilities of the Operational Management Personnel appointed includes following,

- i. Implementing policies, procedures, and systems for financial consumer protection in accordance with regulations, guidelines, and codes of conduct.
- ii. Maintaining records and information pertaining to financial consumer protection activities.
- iii. Providing periodic reports on financial consumer protection activities as requested by the Key Management Personnel or the Board.
- iv. Every 6 months there will be a financial literacy programs to improve customer awareness on financial products/services for the relevant staff.

7. Internal Controls

- 7.1 The company will establish robust internal controls to guarantee the implementation of its financial consumer protection policies, procedures, and systems across all operations, aligning with these Regulations, circulars, guidelines, and codes of conduct, and in line with the business strategy and risk profile.
- 7.2 AFC will establish effective mechanisms for identifying, recording, monitoring, controlling, and reporting issues concerning financial consumer protection.
- 7.3 Alliance Finance Company will establish a mechanism to adhere to the complaint handling procedure requirements outlined in these Regulations.

FAIR TREATMENT AND RESPONSIBLE BUSINESS CONDUCT

8. Formulation of Accessibility Policy

8.1 AFC will develop and enforce an accessibility policy to ensure fair and equal access to financial products and services, regardless of social status, physical ability, marital status, race, caste, gender, age, religion, or financial literacy in preferred language- either in Sinhala, English or Tamil.

8.2 The accessibility policy will cover:

- i. Accessibility of documents, communications, and information.
- ii. Accessibility of websites and mobile applications (* mobile app – when available).
- iii. Accessibility of infrastructure.
- iv. Accessibility of cards, ATMs, and similar services (* when available).

9. AFC will refrain from issuing any policies or circulars that promote discrimination or hinder accessibility.

10. Non-discrimination

10.1 AFC will not discriminate against financial consumers based on irrelevant factors such as social status, physical ability, marital status, race, caste, gender, age, religion, or financial literacy. However, AFC may offer fair & justifiable financial products and services. (refer 11.1)

10.2 AFC will give special consideration to financial consumers who are elderly, physically disabled, low-income, or have low financial literacy to ensure equitable access to all financial products and services.

11. Infrastructure

11.1 AFC will adhere to all relevant laws regarding accessibility, ensuring that ‘new’ buildings and physical infrastructure accommodate differently-abled and elderly financial consumers.

11.2 AFC will enhance accessibility by enabling screen readers and other features on ATMs and automated equipment (* when made available).

11.3 AFC will offer cards (Debit and Credit) with accessibility features upon request from financial consumers (* when made available).

12. Signature Verification

AFC will ensure that financial consumers' signatures, including electronic ones, are clear and suitable for verification. Thumbprints of illiterate persons or persons with disabilities will be considered equivalent to traditional signatures.

13. Web Accessibility

AFC's web content will be designed to ensure it's perceivable, operable, understandable, and robust.

13.1 Web accessibility measures will include:

- i. Adjustable font size, color, and contrast.
- ii. Full keyboard functionality for navigation.
- iii. Compatibility with screen readers for complete readability. (* when made available)
- iv. Proper labeling or alternative text for all web elements.
- v. Provision of text and audio options for security features (where necessary).
- vi. Adequate time allowance for performing functions (if required).

13.2 Mobile application* accessibility will encompass: (* when made available)

- i. Adjustable font size, colors, and contrast, including the background color.
- ii. Full navigability within mobile applications.
- iii. Compatibility with screen readers for complete readability.
- iv. Proper labeling or alternative text for all mobile application elements.
- v. Provision of text and audio options for security features (where necessary).
- vi. Adequate time allowance for performing functions (if required).

14. Information Accessibility

- 14.1 AFC will provide all required documents in accessible formats upon request from the financial consumer.
- 14.2. AFC will allow financial consumers to seek assistance from authorized individuals, accompanied by a letter of authority, power of attorney, or board resolution, as applicable.
- 14.3. AFC will ensure the availability of sufficient facilities for the use of assistive technology and equipment.

15. Unfair Business Practices

- 15.1 AFC and its appointed agents or third parties shall refrain from engaging in unfair business practices that harm financial consumers.
- 15.2 AFC will not act in bad faith or negligently when offering financial products and services to financial consumers.
- 15.3 Unfair business practices include, but are not limited to, the following:
 - i. Employing coercive debt recovery methods.
 - ii. Charging unaccrued interest or early settlement fees on credit facilities beyond permissible levels set by the CBSL.
 - iii. Raising credit limits without prior consent.
 - iv. Imposing excessive fees, penalties, or charges compared to the actual cost.
 - v. Implementing fees and charges without prior written notification.
 - vi. Altering agreed terms and conditions without mutual written consent.
 - vii. Automatically deducting payments and fees for credit facilities linked to deposit accounts without obtaining the financial consumer's written consent.
 - viii. Engaging in bundling and tying practices that unreasonably limit financial consumers' options.

- ix. Unjustifiably prolonging the processing of financial consumer requests.
- x. Imposing unfair terms and conditions regarding financial consumer rights and obligations.
- xi. Disallowing financial consumers from terminating contracts or switching Financial Service Providers or products/services.

16. Sales Practices

AFC shall; Establish clear and comprehensive sales policies and procedures for financial product and service sales.

- i. Ensure that individuals involved in sales, marketing, and promotions are well-trained and informed about the key features, risks, and important terms and conditions of the products/services. They must act fairly and reasonably according to AFC's procedures, practices, and codes of conduct.
- ii. Abstain from using aggressive sales tactics and refrain from recklessly or negligently selling unsuitable financial products or services during the sales process.
- iii. Not downplay or ignore warnings or cautionary statements in any sales materials, including written materials.
- iv. Take necessary steps to identify, prevent, or manage conflicts of interest between AFC and financial consumers to mitigate any adverse impact on consumers. Disclose actual and potential conflicts of interest to financial consumers, particularly in advisory services and third-party products.

17. Unfair Contract Terms

We believe in fair and transparent dealings with our valued customers. To ensure fairness, we adhere to the following principles regarding contract terms:

- 1. Termination or alteration of contracts: We will not terminate or alter contract clauses without providing prior written notice to our customers, either directly or through appropriate channels such as e-mail/ letter, within a reasonable timeframe before implementing any changes.
- 2. Unilateral changes: Any changes made to a contract will be communicated, including the circumstances under which such changes may occur.
- 3. Liability limitations: We will not unfairly limit our liability in cases of total or partial non-performance of contractual obligations, ensuring that responsibilities are balanced and proportional.
- 4. Balanced obligations: Contractual obligations will be equitable, ensuring that our customers are not unduly bound while corresponding obligations on our part remain proportionate.
- 5. Accountability for misrepresentation or negligence: We take responsibility for any losses incurred by our customers due to misrepresentation, negligence, or misleading information regarding our products or services.
- 6. Liability for actions of employees or third parties: We do not exclude or limit our liability for actions or commitments made by our employees, agents, or third parties acting on our behalf.
- 7. Consent for transfer of rights: We will not transfer our rights and obligations under a contract without the consent of our customers if such actions may diminish their rights.
- 8. Preservation of legal rights: Customers retain the right to take legal action in the event of a breach of contract, and we do not exclude or limit these rights.

We are committed to providing our customers with all contractual documents in a timely manner before the contract is signed, ensuring clarity and understanding of the terms involved.

18. Fraud and Protection of Consumer Assets

At Alliance Finance Company PLC, safeguarding our customers' assets is a top priority. To ensure this, we have implemented the following policies:

1. **Asset Protection Measures:** We have robust policies and procedures in place to safeguard our customers' deposits and assets from any internal or external fraud or misuse. These measures are designed to manage and mitigate the risk of such incidents effectively.
2. **Resolution Procedures:** In the event of suspected fraud or misuse concerning our customers' deposits or assets, we have clear and transparent policies and procedures in place to address and resolve these cases promptly. Our aim is to ensure fair and efficient resolution while upholding the integrity of our customers' assets. In case of a such incident, HR dept will conduct the investigation and necessary action will be taken.

We are dedicated to maintaining the trust and confidence of our customers by diligently protecting their assets and swiftly addressing any concerns related to fraud or misuse.

19. Timely Communication and Contact with Customers

At Alliance Finance Company PLC, we prioritize clear and timely communication with our customers. Here's how we ensure it:

1. **Prompt Information Response:** We commit to responding promptly and clearly to our customers' requests for information. Whether it's through written or electronic means, we use their preferred communication channels and languages either in Sinhala, Tamil, or English within a reasonable timeframe.
2. **Record-Keeping for Visits:** For recovery purposes, we maintain detailed records of our visits to customers, including the date of the visit, the names of the officers involved, and a brief summary of the customer's response.
3. **Professional Telephone Contacts:** When contacting a customer by phone, our representatives introduce themselves, mention the name of Alliance Finance Company PLC, and clearly state the purpose of the call.
4. **Call Recordings and Register:** We maintain call recordings and a comprehensive register of our call center activities, adhering to data retention requirements for quality assurance and compliance purposes.
5. **Signature Procedures:** For security and contractual documents, we ensure that physical signatures are obtained outside our business premises only under reasonable circumstances, upon the customer's request, and in the presence of an authorized officer from Alliance Finance Company PLC.

By upholding these standards, we aim to maintain effective communication and build trust with our valued customers.

20. Advertisements and Sales Practices

At Alliance Finance Company PLC, we adhere to responsible advertising and sales practices, ensuring transparency and fairness for our customers. Here's how we do it:

1. **Relevant and Transparent Promotion:** We advertise and promote financial products or services that are suitable for our customers' needs and capabilities. We avoid using footnotes, disclaimers, or fine prints that could obscure important information, ensuring that all relevant details are visible and comprehensible to the average viewer.
2. **Accuracy and Accountability:** Our advertisements and sales materials are free from misleading or false information and do not omit any important details necessary for customers to make informed decisions. We take full responsibility for the statements made in our advertising and sales materials.
3. **Ethical Marketing Practices:** We refrain from employing marketing strategies that exploit our customers' vulnerabilities or financial conditions.
4. **Opt-in and Opt-out Options:** We provide our customers with the choice to opt-in to receive marketing materials and offer easy means to opt-out at any time in the future.
5. **Disclosure of Contact Details and Supervision:** In all our advertisements and marketing materials, we prominently display our contact details and credit rating (if available). Additionally, we clearly state that Alliance Finance Company PLC is supervised by the Central Bank of Sri Lanka.

Regarding employee and agent remuneration attached to marketing and sales, we ensure that it is not solely based on sales volume or targets. Instead, we consider factors that encourage responsible business conduct and prioritize the interests and circumstances of our customers.

By upholding these principles, we aim to maintain trust and integrity in our advertising and sales practices, ultimately serving the best interests of our customers.

21. Product Suitability and Design

At Alliance Finance Company PLC, we prioritize offering financial products and services that are suitable for our customers' needs and circumstances. Here's how we ensure it:

1. **Customer Information Gathering:** We collect and record information about our customers to determine the suitability of the financial products or services we offer or recommend to them. This includes assessing their ability to meet the terms and conditions associated with the product or service.
2. **Debt Service Assessment:** We identify a maximum debt service to income ratio, using sources like the Credit Information Bureau (CRIB), to evaluate the risk of over-indebtedness for our customers. This helps us ensure that our offerings align with their financial capabilities.
3. **Suitability Determination:** Based on the information gathered and specific criteria, we ensure that a financial product or service is suitable for each customer before proceeding with any contracts.

4. **Tailored Offerings:** We offer a range of financial products and services tailored to meet the varying needs, risk profiles, and interests of different types of customers. We take into account the characteristics of our target market to ensure that our offerings are relevant and beneficial.
5. **Fair Pricing and Features:** We do not alter, bundle, or modify financial products in a way that distorts their features and places our customers at a disadvantage. Additionally, we offer rates, fees, and prices that are fair and in line with market standards, our cost structure, and regulatory requirements.

By adhering to these principles, we ensure that our products and services are not only suitable but also designed to meet the diverse needs of our customers while maintaining fairness and transparency throughout the process.

22. Sale or Transfer of Debt or Services

At Alliance Finance Company PLC, we ensure transparency and provide necessary support to our customers in the event of debt sale, transfer, or any other changes. Here's how we handle such situations:

1. **Notification:** If permitted by law or if we intend to cease operations, merge, or transfer our operations to another party, we will notify affected customers within a reasonable timeframe. This notification includes details about the sale or transfer and outlines any remaining debt obligations or outstanding positions of the product or service.
2. **Payment Information:** We provide our customers with clear information regarding where they should make payments following the sale or transfer. This ensures that they can continue to fulfill their financial obligations without disruption.
3. **Contact Details:** We furnish our customers with the contact information of the acquiring party, purchaser, or transferee. This allows customers to reach out directly if they have any questions or concerns regarding the transfer.

By adhering to these guidelines, we prioritize transparency and aim to minimize any inconvenience to our customers during such transitions.

23. Agent and Third-Party Conduct

At Alliance Finance Company PLC, we hold ourselves accountable for the conduct of agents and third parties appointed by us. Here's how we ensure responsible conduct:

1. **Formal Contracts:** When appointing agents or third parties, we formalize the relationship through written contracts and ensure compliance with relevant regulations.
2. **Legal Liability:** We accept legal liability for the actions and omissions of our agents and third parties, underscoring our commitment to accountability.
3. **Due Diligence:** Before entering into contracts, we conduct thorough due diligence to assess the suitability and reliability of potential agents or third parties.

4. **Performance Monitoring:** We continuously monitor the performance of our agents and third parties to uphold quality standards and compliance.
5. **Non-disclosure Agreements:** We require agents and third parties to sign non-disclosure agreements to safeguard the confidentiality of our customers' information.
6. **Code of Conduct:** We provide agents and third parties with a code of conduct, instructing them to refrain from behaviors such as harassing customers, disclosing unauthorized information, providing false information, or exerting undue influence.

Upon request, we provide customers with details of agents and third parties involved in providing financial services, demonstrating our commitment to transparency and accountability.

24. Debt Recovery Practices

At Alliance Finance Company PLC, we prioritize transparent, respectful, and fair debt recovery processes. Here's how we ensure this:

1. **Transparent and Courteous Communication:** We conduct debt recovery with transparency, courtesy, and fairness, avoiding any undue pressure, intimidation, harassment, humiliation, or threats towards our customers.
2. **Handling Foreclosure Proceeds:** Any proceeds from the sale of foreclosed assets are promptly applied towards the recovery of the credit facility. Customers are informed of the utilization of these proceeds, and any balance remaining after recovery is refunded to them, in accordance with applicable laws.
3. **Prohibited Practices:** We refrain from engaging in the following practices during debt recovery:
 - Contacting friends, employers, relatives, or neighbors of a customer for information unless permitted by the customer or necessary for employment verification.
 - Requiring non-guarantors to offset debts.
 - Excessive or unnecessary contact with individuals.
 - Disclosing debt information to third parties.
 - Making misrepresentations related to debt.
 - Public shaming or humiliation.
 - Visiting or calling a customer's workplace without their prior consent.
 - Threatening or harming individuals or their property.
 - Seizing property not provided as collateral, but can be possible with a court order in favour of AFC.
 - Making contact with customers between 9:00 pm and 6:00 am for debt recovery purposes.

By adhering to these guidelines, we ensure that our debt recovery practices are conducted ethically, respecting the rights and dignity of our customers at all times.

25. Promotion of Fair Market Practices

At Alliance Finance Company PLC, we advocate for fair market practices. Here's how we ensure it:

1. Open Access and Interoperability, where possible:

- We refrain from exclusive arrangements with agents or merchants that could impede other Financial Service Providers' access to the market.
- Our systems are designed to be open and interoperable, promoting competition and innovation within the industry.

2. Transparency and Disclosure:

- We prominently display our business license, registration or appointment obtained from the Central Bank, latest audited financial statements, credit rating, key contact details for handling complaints, business hours, and holiday notices at our public places of business, including our outlets.
- We publish the latest annual effective and nominal interest rates of deposits and lending products, foreign currency exchange rates, details of fees, commissions, and any other charges on our official website. Additionally, this information is displayed prominently at our public places of business.

By adhering to these principles, we contribute to a transparent and competitive market environment, empowering consumers with the information they need to make informed financial decisions.

26. Financial Education and Awareness

At Alliance Finance Company PLC, we prioritize educating and raising awareness among our customers. Here's how we do it:

1. Education Programs:

- We develop policies and procedures to implement a variety of financial education and awareness programs. These programs may be conducted independently, in partnership with industry associations, or in collaboration with regulatory authorities like the Central Bank.
- Our education tools include printed materials such as brochures, flyers, booklets, and posters, as well as multimedia resources like videos, presentations, and interactive loan calculators.
- We ensure that our customers are informed about the legal provisions relevant to our financial products and services.

2. Warnings on Over-Indebtedness:

- We provide specific warnings to customers regarding the risks of over-indebtedness, including the consequences of multiple borrowing and late repayments. These warnings are particularly emphasized in our education and awareness programs, with special attention given to vulnerable groups.

By actively engaging in financial education and awareness initiatives, we empower our customers to make informed decisions and protect themselves from potential risks.

27. Disclosure and Transparency

1. We maintain an official website where we regularly update information to ensure transparency about our business activities, products, and services.
2. We ensure that all relevant information and documents are disclosed or provided to customers at any stage of a contract. This information is presented in a complete, clear, concise, accurate, and timely manner, in the language preferred by the customer, whether it's Sinhala, Tamil, or English. Additionally, we take the time to explain the key features of this information to ensure our customers understand it fully."
3. We provide customers with copies of the offer letter, agreement, and other relevant legal documents either at the time of signing or within a reasonable timeframe afterward. We ensure compliance with legal requirements regarding document perfection."

28. Information on Financial Products and Services

At Alliance Finance Company PLC, we ensure clarity and accuracy in all our communications regarding financial products and services:

1. Accuracy and Clarity:

- Our advertisements, marketing materials, and related content provide accurate and clear information about our financial products and services.
- Information is presented in plain and understandable language, available in Sinhala, Tamil, or English, according to the preference of the customer.

2. Easy-to-Read Communication:

- Written communications are designed with fonts, sizes, spacing, and layout that make them easy for customers to read.
- Key features of our financial products, such as Annual Effective Rate of Interest (AER), tenor, fees, and main risks - where necessary in agreements/offer letters/security documents are mentioned.

3. Written Documentation:

- We provide customers with written documents, including Key Fact Documents, applications, offer letters, agreements, forms, receipts, and statements, either in print or electronically.

4. Clarifications:

- We are committed to providing clarifications if customers have any questions or concerns regarding the information provided.

5. Confirmation of Understanding:

- Before accepting an offer, we obtain written confirmation from customers that they have received, understood, and had the terms and conditions of the products or services explained to them.

6. Advance Notification of Changes: (respective HOD should be responsible for this)

- We notify affected customers at least thirty (30) calendar days in advance of any amendments or alterations to the range of services we provide.

7. Clear Digital Communication: (when its applicable)

- Through digital channels, we ensure transparency and ease of understanding:
 1. Key information is prominently displayed, with additional details available for those seeking further information.
 2. Offline channels are accessible for further assistance.
 3. Mobile channels are designed with clear information order and flow, ensuring transparency and comprehension.
 4. Pricing and key terms and conditions are disclosed before completing digital transactions.

By adhering to these principles, we prioritize transparency and ensure that our customers have access to clear and accurate information about our financial products and services."

29. Key Facts Document

At Alliance Finance Company PLC, we provide a standard "Key Facts Document" for our products and services, available in printed or electronic form in Sinhala, Tamil, and English. This document includes essential information for prospective customers and is accessible on our corporate website.

For loan products, the Key Facts Document covers:

1. Key features of the product, including interest rates, penalties, charges, and fees.
2. Procedures for obtaining the product.
3. Main terms and conditions.
4. Complaint handling procedure.

For deposit products, the Key Facts Document includes:

1. Key features of the product, including interest rates, benefits, and promotions.
2. Requirements and fees, such as minimum balances and account maintenance fees.
3. Deposit insurance coverage.
4. Account-related policies, including restrictions, dormant accounts, and abandoned properties.
5. Complaint handling procedure.
6. Procedures for unauthorized or mistaken transactions.

By providing this clear and concise information, we ensure that our customers have the necessary details to make informed decisions about our products and services."

30. Disclosure of Terms and Conditions

We ensure full disclosure of terms and conditions for our financial products and services in contractual documents. This includes, but is not limited to:

1. Rights and responsibilities of the customer and Alliance Finance Company PLC.
2. Interest rates, costs, commissions, fees, and charges.
3. Method of calculating interest charges (Fixed/Floating etc.)
4. Notification process for changes to the contract.
5. Penalties and remedies for breaches of contract.
6. Contact information for customer service.
7. Conditions leading to contract termination.
8. Procedures for cancellation, termination, and portability of products and services.
9. Compensation, charges, or penalties for premature withdrawal, termination, or switching of products or services.
10. Complaint handling procedures and contact details, including alternative dispute resolution mechanisms.
11. Rules for reporting suspicious transactions and theft of cards or financial instruments.
12. Reporting of suspicious transactions and above-the-threshold transactions to the Financial Intelligence Unit.
13. Disclosure of customer information to legally authorized parties.

By providing comprehensive disclosure, we ensure transparency and help our customers make informed decisions about our financial products and services.

31. Information on Credit Facilities and Credit Instruments

At Alliance Finance Company PLC, we provide clear and comprehensive information to our customers regarding credit facilities and credit instruments. Here are the key details included in our application, offer letter, or agreement.

1. Borrower's name and Loan Reference Number.
2. Granted date, amount and repayment period.
3. Annual Effective Rate of interest and its basis. (fixed /floating)
4. Repayment schedule and frequency.
5. Details of offered security or collateral.
6. Breakdown of additional charges and costs. (upon request of the customer)
7. Penal interest rate for delayed payments.
8. Recovery procedure for default payments, including associated costs.
9. Procedures for revoking or stopping payment.
10. Liability in case of unauthorized transactions or fraud.
11. Consequences of using credit instruments with insufficient funds.
12. Terms and conditions of bundled financial products.
13. Conditions for early settlement by the customer.

For clarity, a "credit instrument" includes documents like & cash cheques (but not, Post Dated cheques)

By providing this information, we ensure transparency and help our customers understand the terms and conditions associated with our credit facilities and instruments."

32.Statement Provision Guidelines

At Alliance Finance Company PLC, we ensure that our customers receive clear and timely statements for their accounts:

1. Periodic Statements:

- Customers receive periodic statements for their accounts, free of charge, either in written or electronic form, or according to their preferred method agreed upon during the contract.
- Upon termination or conclusion of a contract, a closing statement is provided.
- Customers can request information on their account balances at any time.

2.Statement Frequency:

- The frequency of statements depends on the type of financial product or service, its term, and the customer's profile.

3. Statement Contents:

- Statements include details such as transaction history (date, type, and amount), opening and closing balances, due dates, amounts due or payable, annual effective interest rates, and any fees or penalties charged.

By adhering to these guidelines, we ensure that our customers stay informed about their accounts and transactions."

33. Settlement of Obligations

AFC ensure smooth settlement processes for our customers:

1. Written Declaration:

- Upon full settlement of financial obligations, we provide customers with a written declaration confirming the full settlement.

2.Release of Collateral Documents:

- We take prompt action to release documents related to collateral property within seven (7) working days from the date of full settlement. Subject to contract closure and no tie-ups with any other contracts is available. Except collaterals filed in courts -mainly the Mortgage Bond.

By providing these services efficiently, we aim to facilitate a hassle-free experience for our customers."

34. Information on Deposit Accounts

At Alliance Finance Company PLC, we provide comprehensive information regarding deposit accounts to our customers:

1. Account Balance:

- We disclose the account balance through appropriate channels and frequencies.

2. Interest Rates:

- Applicable annual effective interest rates or profit-sharing ratios are provided.

3. Fees and Charges:

- Information on account opening fees, minimum balances, and account maintenance fees is transparently disclosed.

4. Account Access Security: (when applicable)

- Customers are informed about their responsibility to keep account access information confidential, including PINs and passwords.

5. Account Functionality:

- Limitations on account functionality, such as the number of free withdrawals and transactions permitted, are communicated.

6. Term Deposits:

- For term deposits, customers receive prior notice of renewal before the maturity date.

7. Deposit Insurance:

- Availability and coverage of deposit insurance are outlined.

8. Account Closure:

- Procedures and costs for closing the account are explained to the customer.

9. Inactive Accounts:

- Conditions for classifying an account as inactive or dormant, along with the consequences, are clarified.

By providing this information, we ensure transparency and help our customers make informed decisions about their deposit accounts."

35. Notification of Changes in Terms and Conditions

At AFC ensure transparent communication regarding changes to terms and conditions:

1. Written Notification:

- We inform customers in writing, within a reasonable timeframe, before making changes to agreed terms and conditions related to:
- Annual effective interest rates – Market Fluctuations on interest rate.
- Non-interest charges.
- Other key features or previously agreed terms, such as cancellation procedures or loan prepayment.

2. Account Status Notification:

- We also notify customers when their accounts become inactive or dormant.

By providing clear notifications, we aim to keep our customers informed and maintain transparency in our services.

COMPLAINT HANDLING AND REDRESS MECHANISM

36. Policy and Procedures for Handling Complaints - Pls. refer Annexure (1)

At Alliance Finance Company PLC, we prioritize effective handling of customer complaints:

1. Clear Policy and Procedures:
 - We have written policies and procedures in place to receive, resolve, and compensate individual grievances and complaints from our customers. We also maintain records of these complaints.
2. Independent Complaint Handling:
 - Our complaint-handling mechanism or unit operates independently from business units and is supervised by a designated Key Management Personnel.
3. Root Cause Analysis:
 - We conduct root cause analysis on complaint data to identify underlying issues. This analysis guides our efforts to improve financial products and services. It's an integral part of our risk management and operational oversight.

By adhering to these policies and procedures, we strive to address customer concerns effectively and continuously enhance our services."

37. Complaint Handling Procedure

At Alliance Finance Company PLC, we ensure a robust procedure for handling complaints:

1. Multiple Channels:
 - We offer various channels for submitting complaints, including help desks, telephone numbers, dedicated email and postal addresses, and online web forms.
2. Free, Fair, and Accessible:
 - Our complaint mechanism is free of charge, fair, accessible, transparent, and operates independently from business operations.
3. Acknowledgement:
 - Upon receiving a complaint, we promptly acknowledge the complainant in writing, providing contact details of the officer handling the complaint, typically within five working days as per the complaint policy.
4. Branch Coordination:
 - Each branch, office, or outlet has a designated officer (Branch Manager) to coordinate complaints effectively with the Head office complaint unit.
5. Record Keeping:
 - We maintain detailed records of all complaints for future reference and analysis.

By implementing these procedures, we ensure that complaints are handled efficiently and transparently, demonstrating our commitment to customer satisfaction."

38. Transparency in Complaint Handling

We ensure transparency in our complaint-handling process:

1. Information Provision:

- We include details of our complaint handling procedures in contractual documents. Additionally, we publish this information on our official website and through pamphlets and posters, ensuring accessibility to all consumers.

2. Information Content:

- The provided information covers:
- Channels for submitting complaints and contact details.
- Expected timeline for complaint resolution.
- Complainant's responsibilities and Financial Service Provider's obligations.
- Escalation process if satisfaction is not achieved.
- Details of alternative dispute resolution mechanisms, such as the Financial Ombudsman of Sri Lanka and the Central Bank.

By sharing this information, we aim to enhance transparency and empower consumers in resolving any issues they may encounter.

39. Conflict of Interests Policy

At Alliance Finance Company PLC, we prioritize fairness in handling complaints:

1. Conflict Avoidance:

- We avoid conflicts of interest when addressing financial consumer complaints.

2. Impartiality:

- Officers are not involved in processing complaints if they have a personal interest in the matter or if they supervise someone directly related to the complaint.

This policy ensures impartiality and fairness in our complaint resolution process."

40. Timeframe for Resolving Financial Consumer Complaints

We at Alliance Finance Company understand the importance of promptly addressing any concerns our customers may have. When a financial consumer submits a complaint, we commit to resolving it within 21 calendar days. If, for any reason, we're unable to meet this deadline, we will inform the complainant before the 21-day mark, explaining the reasons for the delay and the steps we're taking to resolve the issue. This extension can last for a maximum of three months.

Additionally, we recognize that some complaints require urgent attention. In such cases, we will prioritize resolving them as quickly as possible, considering the impact, urgency, and risk involved for both the consumer and our company.

If, despite our efforts, we're unable to provide redress for a complaint, we will clearly communicate our position to the complainant within the timelines outlined in Sub-Regulation 46.1.

Our commitment to resolving consumer complaints efficiently and transparently underscores our dedication to customer satisfaction and regulatory compliance.

41. Complaint Handling Procedure with the Central Bank

At Alliance Finance Company, we understand the importance of addressing our customers' concerns swiftly and effectively. Here's how we handle complaints with the Central Bank:

1. Submission of Complaints:

- Customers can submit complaints to the Central Bank if they're dissatisfied with our response or if we haven't addressed their concerns adequately within one year.
- Complaints must be submitted to the Central Bank following their prescribed format and procedure.

2. Central Bank's Role:

- The Central Bank will cease processing a complaint if either the customer or we initiate legal proceedings related to the complaint or if undue influence or duress is detected.
- Before making a determination, the Central Bank may request us to resolve the issue amicably, providing instructions or recommendations.
- If we fail to resolve the complaint as per the Central Bank's guidance, the Central Bank will issue a final determination based on regulations and banking best practices, ensuring fairness and justice.
- The Central Bank may request additional information, hold hearings, or conduct inquiries as needed to reach a determination.
- The Central Bank's determination is binding for us if the customer agrees with it.

3. Timeliness and Fairness:

- The Central Bank aims to deliver a written determination within 90 days, depending on the complexity of the complaint.
- Throughout the process, the Central Bank adheres to the principles of natural justice.
- Customers can withdraw complaints or settle them with us at any time before the Central Bank delivers its determination.

4. Awards and Recommendations:

- Upon determining a complaint, the Central Bank may require us to compensate the customer, correct errors, cease certain activities, issue apologies, or take other appropriate actions.
- The Central Bank or its authorized officers may offer recommendations or advice to the customer as needed.

5. Complaints Involving Multiple Providers:

- If a complaint involves multiple financial service providers, the Central Bank will determine each provider's responsibilities in resolving the issue.

By adhering to these procedures, we ensure transparency, fairness, and prompt resolution of customer complaints, reflecting our commitment to customer satisfaction and regulatory compliance.

PROTECTION OF FINANCIAL CONSUMERS' ASSETS AND INFORMATION

42. Safeguarding Financial Consumer Assets

At Alliance Finance Company, we prioritize the security of our customers' assets. Here's how we ensure their protection:

1. Liability and Accountability:

- We accept responsibility for any loss experienced by our customers due to fraud, misappropriation, or misuse of their assets, unless it's proven that the loss resulted from the customer's negligence or fraudulent actions.

2. Employee Accountability:

- We take disciplinary action against any employee found involved in fraudulent activities related to customer assets and promptly report such incidents to the relevant regulatory departments of the Central Bank.

3. Awareness and Education:

- We continuously educate our customers about fraudulent practices and their responsibilities in safeguarding their assets. We also provide guidance on measures they can take to protect themselves against potential threats.

4.Data Accuracy:

- We require customers to update their records regularly to ensure the accuracy of their information. This helps us enhance data security and provides better protection for their assets.

5.Convenient Updates:

- We provide convenient channels for customers to update their records whenever necessary, making the process seamless and accessible to all.

By implementing these measures, we aim to instill confidence in our customers and maintain the highest standards of security for their financial assets.

43. Confidentiality, Security, and Integrity of Personal Information

At Alliance Finance Company, we prioritize the confidentiality, security, and integrity of our customers' personal information. Here's how we ensure it:

1. Formulating Policies and Procedures:

- We develop and implement robust policies and procedures specifically designed to safeguard the personal information of our customers.

2. Preventing Misuse:

- We strictly prohibit the misuse of personal information by our employees or any third party acting on our behalf. It is our responsibility to ensure that such information is used only for legitimate purposes.

3. Data Protection Measures:

- We have in place appropriate policies, procedures, and data protection measures to prevent unauthorized access, alteration, disclosure, accidental loss, or destruction of customer data.

4. Staff Training:

- Our staff undergo comprehensive training programs to ensure they understand the importance of maintaining the confidentiality and security of customer information. This training equips them with the knowledge and skills necessary to handle customer data responsibly.

By adhering to these principles and implementing robust measures, we demonstrate our commitment to protecting the privacy and security of our customers' personal information at all times.

44. Protection of Financial Consumer Personal Information

At Alliance Finance Company, we take the protection of our customers' personal information seriously. Here are our commitments:

1. Secure Storage and Retention:

- We ensure that appropriate security measures are in place to safeguard our customers' personal information. Additionally, we retain this information for a minimum of six years after the termination or expiration of their contract, unless otherwise mandated by law.

2. Limited Sharing:

- We do not share our customers' personal information with third parties unless we have their explicit consent or if such sharing is required by law.

3. Retention of Records:

- We retain key information, contractual documents, and transaction histories for a minimum of six years after the termination or expiration of the contract to ensure compliance and facilitate any necessary audits or inquiries.

4. Document Retention:

- We retain all source documents related to transactions for a minimum of six years from the transaction date, unless otherwise specified by law.

These measures ensure the confidentiality, security, and integrity of our customers' personal information throughout their engagement with us and beyond.

45.Collection and Use of Data

At Alliance Finance Company, we handle the collection and use of customer data with utmost care and transparency. Here's how we ensure responsible practices:

1. Lawful and Fair Collection:

- We collect our customers' personal information within the boundaries set by law, directives, or guidelines. Our methods are always lawful, fair, and transparent, and we only gather data for specified, explicit, and legitimate purposes.

2, Policy and Procedures:

- We maintain a clear policy and procedures for collecting and using personal information. This includes detailing the methods, purposes, and types of data we collect and retain, ensuring consistency with regulations and other relevant laws.

3.Compliance with Regulations and Laws:

- In addition to adhering to these regulations, we comply with all applicable laws, including those related to money laundering prevention, counter-terrorism financing, and data protection.

4.Data Privacy and Confidentiality:

- We strictly adhere to data privacy and confidentiality requirements, ensuring that customer data is used solely for the purposes for which it was collected.

5.Limited Use of Personal Information:

- We only use our customers' personal information for purposes consistent with the original intent of collection, with their informed consent, or as permitted by regulations or other laws.

6. Privacy Rights of Customers:

- We respect the privacy rights of our customers, particularly regarding any disabilities or special needs they may have.

7. Protection of Sensitive Information:

- We do not utilize information regarding a customer's disability or health status for any purpose other than assisting the customer or safeguarding their rights, and we do not disclose such information to any third party without the customer's prior consent.

By adhering to these principles, we ensure that our customers' data is handled responsibly and in line with their expectations of privacy and confidentiality.

46. Sharing of Financial Consumer Information

At Alliance Finance Company, we respect the privacy of our customers' information. Here are our guidelines for sharing such data:

1. Limited Sharing:

- We do not share our customers' information with third parties for any reason, including marketing, promotion, or advertising, unless:
- The information is being disclosed for the purpose for which it was originally collected, and it was reasonably apparent to or would be reasonably expected by the customer.

- We have obtained the informed consent of the customer.
- Sharing is required or permitted by these regulations, a court of law, or any other applicable written law.

By adhering to these principles, we prioritize the confidentiality and security of our customers' information, ensuring their trust and satisfaction with our services.

47. Financial Consumers' Right to Access and Rectify their Personal Information

At Alliance Finance Company, we recognize and respect our customers' rights regarding their personal information. Here's how we ensure their access and rectification:

1. Access to Personal Information:

- Upon request, we provide our customers with access to their personal information held by us, unless prohibited by law.
- This access is provided in a format that is easy for the customer to understand.
- We aim to fulfill such requests within a reasonable timeframe and at minimal or no cost to the customer.

2. Rectification of Inaccurate Data:

- If a customer claims that any personal data we hold is inaccurate or incomplete, we take prompt and appropriate steps to review the claim.
- If necessary, we rectify the information and inform any third parties with whom the data had been shared previously.

By upholding these principles, we ensure transparency and accountability in our handling of customer information, promoting trust and confidence in our services.

(1) Annexure – 1 - Customer Complaint process

Special Note

1. This Policy will be reviewed in every 2 years
2. Product custodian - Mr. E. Muttupulle -Chief Talent Officer

Date: 3rd April, 2024

Customer Complaints Management Procedure

Alliance Finance Company PLC .

In the event any of our customers are dissatisfied with the manner in which they have been served, they are free to contact or write to our **Customer Complaint Management Unit**, which will make every effort to resolve issues efficiently and promptly to the satisfaction of the complainants.

The Customer Complaint Management Procedure of Alliance Finance Company is as follows:

How to make a complaint.

- a. By visiting or writing to the Customer Complaint Management Unit at Alliance Finance Company Head office premises No. 84, Ward Place, Colombo 07 or visiting any branch office.
- b. Direct telephone contact: 011-2673673 Fax. 0112697205
- c. Email: complaint@alliancefinance.lk
- d. Website: www.alliancefinance.com
- e. WhatsApp: 0771090122.
- f. **Officers in charge**
Senani Kaluarachchi, Complaint Handling Officer.
Alliance Finance Company PLC.
No. 84, Ward Place. Colombo 07. 0112673673 / ext. 195. Mobile numbers: 0777761861.

- (1) Logging the Complaint: The complaint is logged into a CRM system; this includes details such as the nature of the complaint, the complainant's contact information.
- (2) Acknowledgment: A prompt acknowledgment is sent to the complainant.
- (3) Investigation: The complaint is investigated, to gather additional information.
- (4) Resolution: Once the investigation is complete, steps are taken to resolve the complaint.
- (5) Follow-up: In some cases, follow-up may be necessary to ensure the complainant is satisfied with the resolution.
- (6) Continuous Improvement: Identify the root cause to find opportunities for improvement in products, services, or processes.
- (7) Closure: Once the complaint is fully resolved and the complainant is satisfied, the case is closed in the CRM system.
- (8) In the event the customers are not satisfied with the resolution given by AFC, the complainant will be referred to the Financial Ombudsman of Sri Lanka.

By Post-

The Financial Ombudsman, Office of the financial Ombudsman, 143A, Vajira Road, Colombo 05.

By Phone- +94112-595624/5, By email- fosril@sltnet.lk, Website- www.financialombudsman.lk