

**BANK OF TANZANIA**

**GUIDELINES FOR BANKING CONSUMERS'  
COMPLAINTS, 2015**

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PART 1  
PRELIMINARY

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**1. PREAMBLE**

The Banking industry thrives on the basis of confidence and trust that consumers place on banking institutions. The confidence and trust are founded on three major components, namely, safety, stability and soundness of the banking sector. In addition to monitoring the full range of these three components the Bank of Tanzania must take particular interest to monitor the conduct of banks and financial institutions in an environment of increasing competition among service providers and address complaints emanating from interactions between banking institutions and consumers.

The Bank has therefore established a Complaints Resolution Desk (the Desk) to provide for transparent, cost effective, and simplified process that will facilitate handling and resolution of complaints of consumers of banking services in the country. This mechanism, which affords an opportunity for banking institutions and consumers to address complaints by means other than conventional court process, is intended to promote confidence and integrity of the banking industry in Tanzania.

These Guidelines are issued in terms of the provisions of section 71 of the Banking and Financial Institutions Act, 2006. The Guidelines are intended to provide for procedures for submission, assessment and resolution of consumer complaints. The Guidelines also provide for responsibilities of banking institutions and complainants in handling consumer complaints.

Banking institutions and consumers of banking services are responsible for familiarizing and adhering with the principles and procedures contained in these Guidelines.

## 2. CITATION AND COMMENCEMENT

These Guidelines may be cited as the Bank of Tanzania Guidelines for Banking Consumers' Complaints, 2015 and shall come into force on 15<sup>th</sup> March, 2015.

## 3. APPLICATION

These Guidelines shall apply to:

- (a) Banking institutions regulated by the Bank; and
- (b) Consumers as defined in these Guidelines.

## 4. CONFIDENTIALITY

- 4.1 All complaints and documents lodged with the Desk shall be dealt with in accordance with principles of confidentiality.
- 4.2 The Desk shall observe, except as otherwise required by law, the practices and usages customary among bankers, and in particular, shall not divulge any information relating to complainants or affairs of banking institutions except in circumstances in which, in accordance with the law or practices and usages customary among bankers, it is necessary or appropriate for the Desk to divulge such information.
- 4.3 Every Officer of the Desk shall, before assuming their duties, make a written declaration of fidelity and secrecy, which shall be witnessed by the Secretary to the Bank.

## 5. DEFINITIONS

In these Guidelines, unless the context otherwise requires;

**"adjudication"** means a legal process by which an independent party reviews facts, evidence and argumentation by parties to come to a decision;

**"Bank"** means the Bank of Tanzania established under Section 4(1) of the Bank of Tanzania, 2006;

**"banking institution"** means a bank or a financial institution engaged in the banking business and regulated by the Bank;

**"complaint"** means a written expression of dissatisfaction by a consumer about the provision of banking product or service;

**"complainant"** means an individual or entity lodging a complaint with the Desk;

**"conciliation"** means a dispute resolution process whereby parties to a dispute use the Desk as a conciliator who meets with the parties separately to try and reconcile them in an attempt to resolve their dispute;

**"consumer"** means an individual or entity that uses, has used or is or may be contemplating using, any of the products or services provided by a banking institution;

**"Desk"** means the Bank's unit designated to handle consumer complaints against banking institutions;

**"Determination"** means a decision delivered by the Desk;

**"eligible complaint"** means a complaint that meets eligibility criteria set out under clause 13 in these Guidelines;

**"mediation"** means the process in which the Desk actively assists the parties to reach a negotiated resolution;

## 6. OBJECTIVES

The objectives of these Guidelines are to:

- (1) provide an effective and efficient mechanism for handling consumer complaints relating to the provision of banking services and products;
- (2) guide complainants on how to lodge complaints to the Desk;
- (3) setting minimum standards for banking institutions in dealing with consumers to promote equitable and fair banking services practices;
- (4) promote harmony and maintain public confidence in the banking industry; and
- (5) ensure consistency in resolving consumer complaints

## PART II GENERAL RESPONSIBILITIES

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### 7. For banking institutions

- 7.1 The relationship between a banking institution and a consumer shall be guided by four key principles namely fairness, reliability, accountability and transparency.
- 7.2 A banking institution shall, in all its dealings with consumers or the Desk as the case may be, ensure that it;
  - 7.2.1 acts honestly, fairly and professionally ;
  - 7.2.2 does not misrepresent its products or services;

- 7.2.3 makes full disclosure of all relevant material information of its products or services in a clear, simple language printed in a legible document;
- 7.2.4 discloses information on its internal consumer complaints handling mechanism including referral to the Desk, in conspicuous places at all of its business premises, websites and make available such information in print materials in plain language both in English and Kiswahili.
- 7.2.5 appoints a senior officer to serve as a liaison person with the Desk.
- 7.2.6 timely submits requested information to the Desk including submitting within ten(10) working days information requested by the Desk to facilitate processing a complaint.

## **8. For bank consumers**

- 8.1 Every aggrieved bank consumer shall;
  - (a) prior to lodging a complaint with the Desk, exhaust the bank's internal complaints handling mechanism;
  - (b) comply with the Desk's complaint lodging procedures provided in these Guidelines;
  - (c) refrain from misrepresenting facts of his complaints to the Desk
  - (d) provide relevant information and documents to assist in the resolution of the complaint;
  - (e) fully cooperate in the complaints resolution process;

- 8.2 Non compliance with clause (a) and (b) above shall render the complaint ineligible.
- 8.3 Non compliance with clause (c), (d) and (e) above shall entitle the Desk, after thorough investigations, to dismiss the complaint or to resolve it as it deems fit.

**PART III**  
**COMPLAINTS HANDLING PROCESS**

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**9. Banking Institutions' internal complaint handling mechanism**

- 9.1 A banking institution shall put in place a complaint handling mechanism capable of efficiently and promptly resolving consumer complaints;
- 9.2 The complaint handling mechanism shall, at minimum, be capable of;
- 9.2.1 receiving and timely processing consumers complaints;
  - 9.2.2 keeping complainants updated throughout the process;
  - 9.2.3 keeping a record of all complaints and submit it to the Bank on quarterly basis;
  - 9.2.4 resolving all consumer complaints within twenty one (21) working days from the date of lodging the complaint;
  - 9.2.5 informing a complainant of the right to lodge a complaint with the Desk upon dissatisfaction with the decision.

**10. Lodging a complaint with the Desk**

- 10.1 Where a complainant:-
- (a) Is dissatisfied with the decision of a banking institution; or
  - (b) has not received a response from the banking institution within twenty one (21) working days from the date of lodging his complaint with the institution, may within fourteen (14) working days, lodge a complaint with the Desk;



In exceptional circumstances if a banking institution is unable to resolve a complaint within twenty one (21) working days, it will immediately inform the complainant of its inability and reasons for such inability, and what measures are being taken to resolve the matter urgently and in any case not more than fourteen (14) working days thereafter.

10.2 In exceptional circumstances and upon showing a good cause, the Desk may extend the duration for lodging a complaint, however, such extension shall not exceed an additional fourteen (14) days.

10.3 A complaint shall be in prescribed form (Schedule A), dully signed by the complainant and shall be submitted in any of the following ways;

- a) hand;
- b) By post;
- c) By electronic mail
- d) By facsimile to fax no: +255 22 223 4067
- e) By phone

Complaints submitted by hand or post should bear the following address:

Complaints Resolution Desk,  
Office of the Secretary to the Bank,  
2 Mirambo Street,  
11884 Dar es Salaam.

10.4 The proceedings of the Desk shall not allow any form of representation.

10.4.1 In exceptional circumstances, the Desk may allow representation for incapacitated complainants as it may consider necessary and just.

## **11. Consequences of not responding to the Complaint**

Where the banking institution fails to respond to the Desk's notice of submission of response to the complaint (Form No.3) within the period stated in the notice or an extension thereto, the Desk may carry out an investigation and determine the matter without the banking institution's representation.

## **12. Pecuniary Jurisdiction of the Desk**

The Desk shall handle complaints whose total monetary value in respect of both the claim amount and remedy to be awarded does not exceed Fifteen million Tanzania Shillings (TZS 15,000,000/=).

## **13. Eligible Complaints**

13.1 The Desk shall only receive the following complaints as eligible complaints:

- (a) a complaint which is only against a service or product of a banking institution regulated by the Bank; and
- (b) a complaint in respect of an incident which occurred less than two (2) years ago.

## **14. Ineligible Complaints**

14.1 The Desk shall not entertain a complaint:

- (a) which is or has been the subject of legal proceedings before a court or tribunal;
- (b) where the complainant has not suffered any financial loss or material inconvenience or distress;
- (c) which would be more suitably dealt with by a court or under other dispute resolution arrangement;
- (d) whose resolution would prejudice the rights of other parties, who have not consented to the resolution by the Desk;
- (e) which is vexatious or frivolous or not in good faith; and
- (f) which was not first reported to the banking institution concerned for resolution.

## **15. Determinations of the Desk**

15.1 The Desk shall deliver its decision on the matter within ninety (90) working days from the date of lodging the complaint with the Desk. The decision shall be in writing.

15.2 The complainant shall be required to either signify his acceptance or non-acceptance of the determination in writing not later than seven (7) working days from the delivery of the determination.

15.3 Once accepted by the complainant, the determination shall bind the banking institution.

15.4 Where the complainant does not signify his acceptance within seven (7) working days from the delivery of the determination, the decision shall not be binding on the banking institution and the complainant shall be at liberty to pursue his rights through other fora of his choice and the Desk shall close the matter.

- 15.5 A complainant or banking institution may request the Desk in writing, within fourteen (14) working days from the delivery of the determination made in terms of these Guidelines, to reconsider such determination.
- 15.6 The Desk may make its own decision on reconsideration without further submissions received or may provide an opportunity for the complainant or the banking institution concerned to provide further written submissions.
- 15.7 Any complainant or banking institution not satisfied with a determination made in terms of these Guidelines has a right to seek redress before a competent court.
- 15.8 The Desk shall not be bound by the legal principles of handling disputes such as rules of evidence but shall adhere to the general principles of natural justice.

#### **16. Withdrawal of the Complaint**

A complainant may, at any time before the Desk's determination, withdraw his complaint in writing from the Desk, and the matter shall be closed by the Desk.

#### **17. Protection of the Desk from other Fora**

The proceedings, determinations and officers of the Desk shall not be used or called, as the case may be, in proceedings of any court of law or tribunal at which any of the parties shall elect to refer the complaint. This restriction shall also apply in the event of withdrawal of the complaint referred in Guideline 16.

PART IV  
MISCELLANEOUS PROVISIONS

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**18. Submission of quarterly reports to the Desk**

Each banking institution shall on quarterly basis, provide the Desk with a report in respect of complaints as set out in the format set out at Schedule B.

**19. Free service**

The Bank shall resolve complaints through adjudication, mediation and conciliation and such resolution of consumer complaints by the Desk shall be free of charge.

**20. Medium of Communication**

The medium of communication shall be both English and Kiswahili.

**21. Non Interference with Bank's regulatory powers**

In the performance of its duties, the Desk shall be impartial and independent of any other functional unit within the Bank or any other entity outside the Bank, and the complaint resolution procedures in these guidelines shall be implemented without prejudice to any regulatory powers that may be exercised by the Bank in terms of the prevailing law.

**22. Amendment to the Guidelines**

These Guidelines shall be amended as and when need arises.

Signed:.....  
Governor

Date:

SCHEDULE A:  
COMPLAINT FORM (Form No.1)

Name of Complainant:.....	
Address:.....	
Telephone No. ....	
Name of Institution against which claim is raised	
Branch	
Amount	
Brief statement of claim and Remedy Sought	

Supporting Documents	
<p>Declaration: I .....declare that the information provided herein is true to the best of my knowledge and belief and that I did lodge my complaint to my bank whereupon the bank failed on .....day of ..... 20..... to respond/resolve* the matter.</p> <p>I also declare that this claim is not subject of any pending or concluded proceedings in any court of law or tribunal.</p> <p>Signed.....date.....</p> <p><i>*Delete whichever inapplicable</i></p>	

SCHEDULE B  
 QUARTERLY RETURNS FORM (Form No.2)

Name of Institution:.....

Date:.....

S/N	Service/product	Nature of complaint	Amount	Outcome		
				Resolved	Not Resolved	Withdrawn

Submitted by: .....Signed.....Date.....



SCHEDULE C

BANKING INSTITUTION'S RESPONSE FORM ( FORM No.3)

Name of Institution:.....		No:.....
Address:.....		
Telephone No. ....		
Complainant's name		
Nature of complaint		
Was the complaint resolved?	YES: ..... Date: .....	NO: ..... Date: .....
If YES how was it concluded?		
If NO state the reasons		
Supporting evidence		