

BANK INDONESIA REGULATION  
NUMBER: 7/7/PBI/2005  
CONCERNING  
RESOLUTION OF CUSTOMER COMPLAINTS  
THE GOVERNOR OF BANK INDONESIA,

Considering:

- a. whereas resolution of customer complaints is one measure of improved consumer protection in order to protect the rights of customers in their dealings with banks;
- b. whereas failure to take immediate action in follow up to customer complaints can potentially increase the reputational risk for banks and in the long term may erode public confidence in banking institutions;
- c. now therefore it is deemed necessary to stipulate the resolution of customer complaints in a Bank Indonesia Regulation;

In view of:

- 1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);
- 2. Act Number 8 of 1999 concerning Consumer Protection (State Gazette of the Republic of Indonesia Number 42 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3821);

3. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 3 of 2004 (State Gazette of the Republic of Indonesia Number 7 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4357);

HAS DECREED:

To enact:                   THE       BANK       INDONESIA       REGULATION  
CONCERNING   RESOLUTION   OF   CUSTOMER  
COMPLAINTS

CHAPTER I

GENERAL PROVISIONS

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. “Bank” is a Commercial Bank and Rural Bank as defined in Act Number 7 of 1992 concerning Banking, as amended by Act Number 10 of 1998, including branch office of a foreign bank.
2. “Customer” is any party using the services of a Bank, including any walk-in customer not holding an account but using the services of the Bank to conduct financial transactions.
3. “Customer Representative” is any individual, agency, and/or legal entity acting on behalf of and in the name of a Customer on the basis of a special power of attorney from the Customer.

4. “Complaint” ...

4. “Complaint” is the expression of Customer dissatisfaction arising from potential financial loss to the Customer thought to be caused by error or negligence on the part of the Bank.
5. “Financial Transaction” is the use of any banking product and/or service and products and/or services of other financial institutions and/or other third parties offered through the Bank.
6. “Bank Office” is a head office, branch office, and sub-branch office or unit.

## Article 2

- (1) Banks are required to resolve each Complaint lodged by a Customer and/or Customer Representative.
- (2) To resolve Complaints, Banks shall establish a policy and have written procedures covering the following:
  - a. receipt of Complaints;
  - b. handling and resolution of Complaints; and
  - c. monitoring of Complaint handling and resolution.

## Article 3

The Board of Directors of the Bank shall be responsible for the implementation of the policy and procedures referred to in Article 2.

## Article 4

- (1) Banks are required to have a unit and/or function established specifically in each Bank Office to handle and resolve Complaints brought by Customers and/or Customer Representatives.

(2) The powers ...

- (2) The powers of the dedicated unit and/or function referred to in paragraph (2) shall be stipulated in the Complaint resolution policy and procedures referred to in Article 2.

#### Article 5

Banks are required to publish the existence of the dedicated unit and/or function for Complaint handling and resolution for the public in written and/or electronic form.

### CHAPTER II

#### RECEIPT OF COMPLAINTS

#### Article 6

- (1) Banks are required to accept each Complaint lodged by a Customer and/or Customer Representative related to a Financial Transaction conducted by the Customer.
- (2) Complaints as referred to in paragraph (1) may be lodged in writing and/or verbally.
- (3) If a Complaint is lodged in writing, the Complaint shall enclose a photocopy of identification and other supporting documents.
- (4) A Complaint lodged verbally shall be resolved within 2 (two) working days.
- (5) If a Complaint lodged verbally cannot be resolved by the Bank within the timeframe referred to in paragraph (4), the Bank shall request the Customer and/or Customer Representative to lodge the Complaint in writing, enclosing the documents referred to in paragraph (3).

#### Article 7

- (1) Receipt of Complaints as referred to in Article 6 may take place at any Bank Office and shall not be restricted to the Bank Office at which the Customer opened account and/or Bank Office at which the Customer conducted the Financial Transaction.
- (2) The Bank is required to explain the Complaint resolution policy and procedure to the Customer and/or Customer Representative at the time that the Customer and/or Customer Representative lodges the Complaint.

#### Article 8

- (1) The Bank is required to issue a Complaint receipt to a Customer and/or Customer Representative lodging a Complaint in writing.
- (2) The Complaint receipt referred to in paragraph (1) shall state at least the following:
  - a. Complaint registration number;
  - b. date of receipt of Complaint;
  - c. name of Customer;
  - d. name and telephone number of the Bank officer receiving the Complaint;
  - and
  - e. brief description of the Complaint.
- (3) A Complaint receipt as referred to in paragraph (2) shall be signed by the officer receiving the Complaint.

#### Article 9

- (1) Banks are required to maintain records of incoming Complaints.
- (2) Records of incoming Complaints as referred to in paragraph (1) shall state at least the following:

a. Complaint ...

- a. Complaint registration number;
- b. date of receipt of Complaint;
- c. name of Customer;
- d. officer receiving the Complaint; and
- e. brief description of the Complaint.

### CHAPTER III COMPLAINT HANDLING AND RESOLUTION

#### Article 10

- (1) A Bank shall resolve a Complaint no later than 20 (twenty) working days after the date of receipt of a written Complaint.
- (2) If certain conditions are present, the Bank may extend the time frame referred to in paragraph (1) by no more than 20 (twenty) working days.
- (3) Certain conditions as referred to in paragraph (2) are:
  - a. the Bank Office receiving the Complaint is not the same as the Bank Office at which the disputed problem occurred and there are impediments to communication between the two Bank Offices;
  - b. The Financial Transaction concerning which the Customer and/or Customer Representative has lodged complaint requires special examination of the documents of the Bank;
  - c. Existence of other matters outside the control of the bank, such as involvement of a third party external to the Bank in the Financial Transaction conducted by the Customer.
- (4) The Customer and/or Customer Representative lodging the Complaint shall be notified of extension of the period for Complaint resolution as referred to in paragraph (2) prior to expiration of the deadline referred to in paragraph (1).

#### Article 11

- (1) If a Complaint pertains to a Financial Transaction involving a Bank officer with powers for resolution of the Complaint, the Complaint handling and resolution shall be conducted by a Bank officer at a higher level.
- (2) If a Complaint pertains to the powers of the Bank Office management at the place in which the Customer experienced the problem, the Complaint handling and resolution shall be conducted by a special unit and/or function for Complaint handling and resolution at a higher level Bank Office.

#### Article 12

The Bank is required to provide information on the status of Complaint resolution at any time when the Customer and/or Customer Representative requests explanation from the Bank on a lodged Complaint

#### Article 13

- (1) If the Complaint is submitted in writing, the Bank shall convey the result of the Complaint resolution to the Customer and/or Customer Representative in writing within the deadline stipulated in Article 10.
- (2) If the Complaint is submitted verbally, the Bank may convey the result of the Complaint resolution to the Customer and/or Customer Representative in writing and/or verbally within the deadline stipulated in Article 6 paragraph (4).
- (3) The result of the Complaint resolution referred to in paragraph (1) shall state at least the following:
  - a. Complaint registration number;
  - b. The problem cited in the complaint; and

c. The result ...

- c. The result of the Complaint resolution, enclosing adequate explanations and reasons.

## CHAPTER IV MONITORING OF COMPLAINT HANDLING AND RESOLUTION

### Article 14

Banks are required to administer all documents pertaining to the receipt, handling, and resolution of Complaints.

### Article 15

Banks are required to have an internal reporting mechanism on Complaint resolution.

## CHAPTER V REPORTING

### Article 16

- (1) Banks are required to submit quarterly reports on Complaint handling and resolution to Bank Indonesia.
- (2) Reports on Complaint handling and resolution as referred to in paragraph (1) shall be submitted in the format stipulated by Bank Indonesia.
- (3) Reporting as referred to in paragraph (1) shall take place no later than 1 (one) month after the end of the report period.
- (4) A Bank shall be deemed late in submission of a report if a report as referred to in paragraph (1) is submitted past the deadline for submission of reports as referred to in paragraph (3) but no later than 1 (one) month past the deadline for submission of reports.

(5) A Bank ...



- (5) A Bank shall be deemed not to have submitted a report if a report as referred to in paragraph (1) has not been submitted by the Bank by the end of the deadline referred to in paragraph (4).
- (6) Reports on Complaints handling and resolution shall be submitted to:
- a. the relevant Directorate of Bank Supervision, Jl. M.H. Thamrin No. 2 Jakarta 10110, for a Bank having its head office in the working area of the Bank Indonesia head office; or
  - b. the local Bank Indonesia Regional Office, for a Bank having its head office outside the working area of the Bank Indonesia head office.
- with a copy addressed to the Banking Investigation Unit (UKIP), Jl. M.H. Thamrin No. 2 Jakarta 10110.

## CHAPTER VI

### SANCTIONS

#### Article 17

- (1) Any Bank failing to comply with the provisions referred to in Article 2, Article 3, Article 4, Article 5, Article 6, Article 7, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, and Article 16 shall be liable to administrative sanctions under Article 52 of Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998 in the form of written warning.
- (2) Non-compliance as referred to in paragraph (1) may be deducted against a component of the Bank rating.

#### Article 18

- (1) Any commercial bank failing to comply with the provisions of Article 16 paragraph (4) shall be liable to a financial penalty of Rp 1,000,000 (one million rupiahs) per working day of delay.

(2) Any ...

- (2) Any commercial bank failing to comply with the provisions of Article 16 paragraph (5) shall be liable to a financial penalty of Rp 30,000,000 (thirty million rupiahs).

#### Article 19

- (1) Any Rural Bank violating the provisions of Article 16 paragraph (4) shall be liable to a financial penalty of Rp 100,000 (one hundred thousand rupiahs).
- (2) Any Rural Bank violating the provisions of Article 16 paragraph (5) shall be liable to a financial penalty of Rp 250,000 (two hundred and fifty thousand rupiahs).

### CHAPTER VII CONCLUDING PROVISIONS

#### Article 20

The provisions in this Bank Indonesia Regulation shall not apply to Rural Credit Institutions (*Badan Kredit Desa*) established pursuant to *Staatsblad* Number 357 of 1929 and *Rijksblad* Number 9 of 1937.

#### Article 21

Further provisions concerning this Bank Indonesia Regulation shall be stipulated in a Circular Letter of Bank Indonesia.

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Article 22

This Bank Indonesia Regulation shall come into force 6 (six) months after the date of its enactment.

Enacted in Jakarta  
Dated January 20, 2005

THE GOVERNOR OF BANK INDONESIA

BURHANUDDIN ABDULLAH

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 17 OF  
2005

DPNP/DPbS/DPBPR

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
NUMBER: 7/7/PBI/2005  
CONCERNING  
RESOLUTION OF CUSTOMER COMPLAINTS

GENERAL REVIEW

In the course of banking business, the rights of customers are frequently not duly upheld, leading to friction between customers and banks as indicated by emergence of customer complaints. These complaints, if not properly resolved by the bank, can potentially develop into arguments or disputes that may ultimately bring loss to the customer and/or the bank. The absence of standard mechanisms for handling customer complaints has given rise to a tendency towards protracted arguments or disputes between customers and banks, among others indicated by the substantial number of customer complaints reported in the media. The emergence of complaints publicized in the media may damage the reputation of the bank in the eyes of the public and could potentially erode public confidence in banking institutions if urgent action is not taken to resolve this issue.

Therefore, to mitigate negative publicity regarding bank operations and ensure the operation of an effective mechanism for resolution of customer complaints within an adequate timeframe, Bank Indonesia deems it necessary to establish minimum standards for the customer complaints resolution mechanism in a Bank Indonesia Regulation that must be implemented by all banks. Furthermore, this Bank Indonesia Regulation is also aimed at supporting an equivalent level of empowerment in dealings between banks, which are the

business actors, and customers, who are the consumers of banking services, as mandated in Act Number 8 of 1999 concerning Consumer Protection.

## ARTICLE BY ARTICLE

### Article 1

Self-explanatory

### Article 2

#### Paragraph (1)

Self-explanatory

#### Paragraph (2)

Self-explanatory

### Article 3

Self-explanatory

### Article 4

#### Paragraph (1)

Establishment of a dedicated unit and/or function to handle and resolve Complaints shall be regarded to the scale of business and complexity of business of the Bank.

#### Paragraph (2)

The dedicated unit and/or function shall be vested with sufficient powers to ensure that Complaints lodged by Customers and/or Customer Representatives can be effectively resolved.

The vesting of powers to the dedicated unit and/or function may apply a scale of authority according to level of the office or position.

## Article 5

Self-explanatory

## Article 6

Paragraph (1)

Self-explanatory

Paragraph (2)

The understanding of Complaint made in writing includes Complaint lodged by media such as e-mail, facsimile, or other electronic media.

The understanding of Complaint made verbally includes Complaint lodged by telephone.

Paragraph (3)

“Other supporting documents” are defined as the underlying documents in the Financial Transaction, such as deposit slip and transfer slip.

Paragraph (4)

The deadline of 2 (two) working days shall be calculated from the date of registration of the Complaint by the Bank.

Paragraph (5)

Request for submission of written Complaint shall be accompanied by information on the reasons for which the verbal Complaint has not been resolved.

## Article 7

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 8

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 9

Self-explanatory

Article 10

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

The written notification shall state the reason for extension of time for resolution of the Complaint.

Article 11

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 12

Self-explanatory

Article 13

Self-explanatory

Article 14

Self-explanatory

Article 15

Self-explanatory

Article 16

Paragraph (1)

The report on Complaint handling and resolution shall state at least the Complaints in process of resolution and resolved during the Reporting period.

Quarter is a period ending in the months of March, June, September, and December.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Paragraph (6)

Self-explanatory

Article 17 ...



Article 17

Paragraph (1)

Self-explanatory

Paragraph (2)

Deduction against a component of Bank rating shall be made in the aspect of management.

Article 18

Self-explanatory

Article 19

Self-explanatory

Article 20

Self-explanatory

Article 21

Self-explanatory

Article 22

Self-explanatory