



# KENYA MORTGAGE REFINANCE COMPANY

## GRIEVANCE REDRESSAL POLICY

Version: 1.1

Date: July 2019

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## **GLOSSARY-DEFINITION OF TERMS**

BOD	Board of Directors
CEO	Chief Executive Officer
KMRC	Kenya Mortgage Refinance Company
PMLs	Primary Mortgage Lenders
SACCO's	Savings and Credit Co-operative Organizations

## 1 Objective and purpose of the Grievances Redress Policy and Mechanism

Kenya Mortgage Refinance Company Limited (KMRC) is a private-sector driven company with the public purpose of providing secure, long-term funding that will lead to an increase in availability and affordability of Housing/Mortgage Loans to Kenyans. In its role as an intermediary between capital markets and Primary Mortgage Lenders (PMLs), KMRC will increase access to liquidity and longer-term funds for banks and SACCOs to lend towards residential mortgages.

KMRC seeks to maintain its reputation as a mortgage liquidity facility delivering high quality professional services and products to its customers. KMRC is also committed to maintaining its responsiveness to the needs and concerns of its customers. This Policy is designed to provide guidance in the manner in which KMRC receives and handles complaints and concerns in relation to the company, its employees or its operations.

This Grievances Policy is approved by the KMRC Board of Directors.

The Policy recognizes and conforms to the relevant requirements of various regulations, the most significant of which are:

- i. Central Bank of Kenya Act and Regulations issued thereunder; and
- ii. Relevant and applicable regulatory amendments and revisions.

This Policy remains the property of KMRC for the exclusive use of Management and all personnel of KMRC. KMRC does not accept any responsibility or liability for any loss or damage suffered by any person arising out of the unauthorized use of, or reliance upon, this Policy.

### 1.1 Governance and Approval of the Policy

This Policy is given authority by means of BOD approval. It is subject to a review and approval cycle consisting of:

- Review and if applicable revision of the Policy at least once in two years, or more frequently if required by changes in the business, the wider market or regulation.
- Review and recommendation to the BOD following any substantive revisions to the Policy by management.
- Approval of the Policy by the BOD following recommendation by the Board Finance, Planning and Human Resource committee.

The Head of Strategy and Corporate Communications is the Owner of this Policy.

## **1.2 Procedure for amending the Policy**

The Head of Strategy and Corporate Communications is responsible for keeping the Policy up-to-date in accordance with the relevant laws and regulations and for advisory of any changes to its provisions as and when required. BOD shall approve amendments to this Policy as and when necessary. However, the BOD reserves the right to require particular types of changes to be referred to it for specific approval.

## **1.3 Compliance with laws, regulations & professional standards**

KMRC and its employees are to comply fully with all applicable laws, regulations and professional standards. No employee shall undertake any activities considered inappropriate to the business and reputation of the KMRC.

Should any provision of this Policy or any other policy, procedure or guidance of KMRC is or becomes contradictory with the Statutes or any applicable national or supranational law, regulation or professional standard, the function within KMRC identifying the conflict shall promptly notify appropriate management officer or committee responsible for the establishment or implementation of the subject policy, procedure or guidance, in writing, of the details of the conflict. In the event of any such conflict, the department / personnel shall comply with applicable national or supranational law, regulation or professional standard till the time this Policy is appropriately amended as required.

The objective of the Policy is to assist the Company and its employees in resolving grievances in an efficient, effective and professional manner.

Sections 2 and 3 of this Policy should be shared with the public on the website.

## **2 Background**

In preparing this Policy, KMRC has endeavoured to align its procedures with the relevant legal requirements and current best practice.

### **2.1 Definition of Grievances**

The Policy is intended to address grievances made to KMRC. Under this Policy, grievance is defined as any expression of dissatisfaction made to KMRC, related to its products and operations or the grievances handling process itself, where a response or resolution is explicitly or implicitly expected.

Any person, several persons or organization (the complainant) who are dissatisfied with a product or service provided by KMRC, including individual borrowers of the housing loans, for any reason, or the impacts of such products or services on communities or the environment, may contact KMRC to complain. A grievance may be oral or written.

Sometimes, grievances can be by way of negative or positive feedback, which may not require a resolution or formal follow-up. While this type of feedback is valuable, the Policy does not apply to feedback of this nature.

## 2.2 Registration of Grievances

Where a grievance is about a particular service, product or employee, complainants shall address their grievance to:

*Head of Strategy and Corporate Communications or to the CEO*

*Kenya Mortgage Refinance Company Limited*

*P.O. Box 15494 – 00100,*

*Nairobi, Kenya*

*Tel: +254 111 022 400*

*Email: [communications@kmrc.co.ke](mailto:communications@kmrc.co.ke)*

*[info@kmrc.co.ke](mailto:info@kmrc.co.ke)*

*Physical Address: 27th Floor, UAP Old Mutual Tower, Upperhill Road, Upperhill, Nairobi.*

Where possible, grievances should be made in writing so that the details of the grievance are clear and complete. Grievances can be submitted orally, by letter or email.

KMRC will ensure that its grievance mechanism and ways to submit complaints are known to the public and communicated through various channels, such as KMRC website. KMRC will also ensure that its Customers (PMLs) are aware of the KMRC grievances mechanism and can, in turn, ensure that individual users of the housing loans are notified that they can register the grievance through this mechanism. PMLs will also be asked to institute a grievance mechanism at their level.

## 3 KMRC Grievance Process

### 3.1 Information Required When Registering Grievance

When making a grievance, a complainant should provide the following information:

- Name, position and contact details. However, complaints can also be submitted anonymously (in which case complaints should be also responded whenever possible; for example, complaints received through unnamed emails or phone calls can be responded), and in any case KMRC will take action to address the nature of the complaint);
- Relationship with KMRC (i.e. the nature of engagement with KMRC);
- Contact person within KMRC, if applicable;

- The nature of the grievance (including when the issues giving rise to the grievance occurred);
- Details of the KMRC employee involved (if applicable); and
- Copies of any documentation supporting the grievance.

### 3.2 Assistance with making a grievance

If the complainant need assistance in formulating or lodging a grievance, they should indicate so by contacting the Head of Investor Relations, Marketing and Communication. All assistance will be provided free of any charge.

### 3.3 Acknowledgement of grievances

KMRC is committed to acknowledging all grievances immediately upon receipt. Once a grievance has been received, KMRC will undertake an initial review of the grievance. An acknowledgement will be sent via email, recorded line or surface mail confirming the receipt of the grievance within 48 working hours of the receipt of the grievance mentioning the grievance number. In case the grievance is received after working hours, the acknowledgement shall be sent on the following working day. The acknowledgement will briefly describe the grievance process, the time line to resolve or decide the grievance and the contact details for follow up.

### 3.4 Review and actions

KMRC will endeavour to resolve grievances within specified period of time of receiving the grievance, as per the table below:

Acknowledgement	Within 48 working hours of receipt of the grievance.
Interim reply	Within 10 working days after receipt of a serious grievance which may include issues relating to fraud, embezzlement of funds, repayment disputes, serious environmental and social issues etc. Minor grievances such as misbehaviour, malfunctioning of system, repayment or settlement of disputes etc. do not require an Interim reply.
Final reply	Within 15 working days if the grievance is of minor nature and does not require detailed investigation. Within 30 working days for more complex cases (those requiring interim reply as above). However, in fraud-related cases the final reply to the complainant must be issued within 40 days from the lodgement of the grievance.

Adherence to the table above may not be possible on all occasions. Where KMRC review exceeds four weeks, KMRC will contact the complainants to inform them of the reasons for the delay and indicating a new timeline for the review of the grievance.

### **3.5 The complainants' rights during the grievance process**

The complainants have the right to enquire about the status of their grievance by contacting the employee who has been identified as handling the grievance. Complainants have the right to take the matter to another form of resolution, including formal government mechanisms and courts in case they do not gain satisfactory resolution at KMRC. KMRC also commits to have its grievance mechanism free of charge to the complainants and free of any retribution.

### **3.6 Response to a grievance and closeout**

Once KMRC has reviewed a grievance, KMRC will provide the complainants with a written response. If the complainant is dissatisfied with KMRC's response, they have the right to ask for reconsideration of the response by the management of KMRC.

Such a request should be made in writing and forwarded by post, email or fax to the KMRC address.

### **3.7 Record keeping**

KMRC will keep a grievance register detailing the time, nature, and response to the complaints and what kind of resolution was achieved.

## **4 Internal procedure**

### **4.1 Grievance Register**

The Head of Strategy and Corporate Communications is responsible for maintaining and updating a "Grievance Register".

The Grievance Register should include, inter alia:

- Grievance Number
- Date of Grievance
- Name of person registering a grievance
- Complainant National ID or Passport number
- To whom the grievance is lodged and his/her department



- Mode of grievance (oral, written or any other means)
- Nature of grievance
- Brief description of the grievance
- Action taken
- Date of response
- Final resolution

In cases where the grievance is received by a KMRC staff member, the following procedure should be followed:

- Immediately (i.e. within 1 working day) inform the Head of Strategy and Corporate Communications about the receipt of the grievance;
- Head of Strategy and Corporate Communications immediately issues the grievance number and enters it into the grievance register;
- In case of a serious grievance, Head of Strategy and Corporate Communications immediately informs the CEO;
- Head of Strategy and Corporate Communications, if required after consultation with the Head of Legal, sends the acknowledgement of the grievance to the person who filed the grievance. In case the examination of grievance requires more than four weeks' time, the Head of Strategy and Corporate Communications informs the person prior to completion of four weeks about the progress of the grievance;
- The Head of Strategy and Corporate Communications forwards the grievance to the relevant function head through a memo;
- The relevant function head will update the Head of Strategy and Corporate Communications about the progress on the grievance until it is resolved in which case, he or she will send a complete memo about the resolution of the grievance along with proposed action plan. Memo initially reviewed by the Head of Strategy and Corporate Communications who forwards it to the CEO for consideration;
- The CEO will form a committee to examine any grievance so received. The Head of Strategy and Corporate Communications shall be the Secretary of the Committee;
- Upon resolution of the grievance, the Head of Strategy and Corporate Communications responds to the complainant and enters the resolution into the Grievance Register.

- In case the grievance is not resolved, the CEO may request the team to provide adequate coverage to the institution against any possible action by the person filing the grievance. In case inquiring agent requires any consultation from lawyers and/or consultants; it can hire the lawyers and/or consultants.

In cases where the grievance is received by Head of Strategy and Corporate Communications, the following procedure should be followed:

- The Head of Strategy and Corporate Communications will inform the relevant function head about the receipt of the grievance within one working day via a memo;
- The Head of Strategy and Corporate Communications will issue a grievance number and enter the grievance in the Grievance Register. In case the Head of Strategy and Corporate Communications requires legal consultation, he or she should consult with the Head of Legal Services prior to issuing the Grievance number;
- In case of serious grievance, Head of Strategy and Corporate Communications immediately informs the CEO;
- The Head of Strategy and Corporate Communications will examine the grievance and discuss it with the relevant function head;
- The Head of Strategy and Corporate Communications will update the function head about the progress on the grievance until it is resolved in which case, he or she in consultation with unit/group will prepare and send a complete memo about the resolution of the grievance along with proposed action plan to the CEO for consideration. After review by the CEO, the Head of Strategy and Corporate Communications will notify the relevant function head of the resolution;
- Compliance Head will inform the person about the resolution of the grievance and copy maintained in the Grievance Register.

#### *General*

- In the event that a grievance bears legal or financial consequences, the Head of Strategy and Corporate Communications must consult with the Head of Legal Services and the Head of Finance & Treasury.

#### **4.2 Disclosure in annual accounts:**

For the purpose of transparency KMRC will make appropriate disclosures regarding its overall performance in relation to grievance handling in the annual accounts. Parameters can include number of grievances received, average response time, and resolution time.

## 5 Policy Control

Authority to approve	Board of Directors
Authority to recommend to Board	Board Finance, Planning and Human Resource Committee
Policy owner	Head of Strategy and Corporate Communications
Authority for exemptions	Board of Directors
Author	Management
Current version	1.1
Approval date	26 <sup>th</sup> July 2019
Due for review	July 2021