



STATE BANK OF INDIA OFFICERS' ASSOCIATION CHANDIGARH CIRCLE

C/O State Bank of India, Local Head Office, Sector 17, Chandigarh
Contact Nos. : 0172-4567133, 2726684 Email: sbioa.chd@sbi.co.in

Circular No. 2017/32

Date: 22.03.2017

CROSS-SELLING vis-a'-vis MIS-SELLING

The present situation involving the sourcing and materializing of the business of "cross selling" is pathetic, though there is no doubt that additional income from alternate channels is necessary to supplement the Banks profit. As banks have a huge network of branches, insurance companies have tied up with them to sell their products and they are alluring the staff by incentives, commission, lavish parties and luxury foreign trips. Now focus has been shifted from core business and cross selling is being treated as main business of Banks and Performance review meetings are predominantly discussing only the achievement in the area of cross selling. Deposits, advances and NPAs are no longer discussed seriously. "Mis-selling" is rampant, causing into an environment of moral turpitude. The social media is abuzz of posts ventilating the tremendous pressure faced by the employees as well as complaints by dis-satisfied customers for forceful buying of insurance products even for opening of saving bank account. Performance pressure is often leading to unethical practices of arm-twisting the borrowers to purchase Insurance Policies in order to get a loan sanctioned/open an account/avail locker facility etc. or debiting insurance premiums to the borrowers' account without their knowledge.

The matter was discussed in detail in Executive Committee of AIBOC and thereafter during the business session of 11th Triennial General Council of All India Bank Officers' Confederation held at Jaipur wherein more than twenty delegates presented the pathetic condition of officers in almost all the banks due to pressure for cross selling. It has been revealed that mis-selling is not done by some employees at the branches but is clearly orchestrated by the top management. The very nature of the present incentive system is non-transparent and secretive, where the details of the incentives being paid to the top-management have been deliberately kept out of the public view and to silence the masses, a theory of "**necessity of cross-selling for survival**" has been spread. In the name of Rewards and Recognition programmes, crores of rupees of family silver is being showered on top managers. The very concept of incentive system, which is designed in such a manner that it favours the people who are sitting on the top of pyramid and are removed from the actual mis-selling and its consequences, results in moral bankruptcy and ever increasing greed for more and more share of pie.

The following resolution was considered and adopted by the house with one voice:

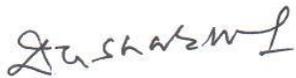
"CROSS SELLING

Of late, Cross selling has become the cancerous attack on the banking system due to the incentive available till the top executive level which corrupts the staff and officers of all grades. A system that was introduced to serve the customers and benefit the Bank has become a tool to offload Bank's deposits and extract personal gains. People occupying the higher positions in the hierarchy, who are in no way involved in cross selling are incentivized monetarily and also through well-designed foreign tours, termed as educational tours. The system has now begun to eat the vitals of the Banks and it has begun to affect loan processing, following of NPAs, Bank's CASA deposits and other aspects of traditional banking.

The 11th Triennial General Council meeting of AIBOC held on 17th March to 19th March, 2017 hereby demands to abolish the incentive system for cross selling prevailing in the Banks."

Comrades, mis-selling is a very serious issue and a matter of grave concern for all of us as it is not only unethical and illegal but also tarnishes the Image of Banks in addition to breach of trust of valuable customers. It is the need of hour to stand, expose, fight and stop such un-ethical and illegal practices at each and every level to save the Banking System. We should raise our voice in a collective manner. We are confident that our display of unity and spirit of dignity, self-respect and commitment towards the organization will enable us to stop such practices.

With revolutionary greetings,



(Deepak K Sharma)
General Secretary

TO ALL UNITS/MEMBERS

CROSS-SELLING vis-a'-vis MIS-SELLING

The present situation involving the sourcing and materializing of the business of “cross selling” is pathetic, though there is no doubt that additional income from alternate channels is necessary to supplement the Banks profit. As banks have a huge network of branches, insurance companies have tied up with them to sell their products and they are alluring the staff by incentives, commission, lavish parties and luxury foreign trips. Now cross selling is being treated as main business of Banks and Performance review meetings are predominantly discussing only the achievement in the area of cross selling. Deposits, advances and NPAs are no longer discussed seriously. “Mis-selling” is rampant, causing into an environment of moral turpitude. The social media is abuzz of posts ventilating the tremendous pressure faced by the employees as well as complaints by dis-satisfied customers for forceful buying of insurance products even for opening of saving bank account. Performance pressure is often leading to unethical practices of arm-twisting the borrowers to purchase Insurance Policies in order to get a loan sanctioned/open an account/avail locker facility etc. or debiting insurance premiums to the borrowers' account without their knowledge. The Reserve Bank of India has also warned banks that they should plug the loophole leading to mis-selling of insurance products, failing which they would be penalised.

The matter was discussed in detail during the 11th Triennial General Council of All India Bank Officers' Confederation held at Jaipur wherein more than twenty delegates presented the pathetic condition of officers in various banks due to pressure for cross selling. The following resolution was considered and adopted by the house with one voice:

“CROSS SELLING

Of late, Cross selling has become the cancerous attack on the banking system due to the incentive available till the top executive level which corrupts the staff and officers of all grades. A system that was introduced to serve the customers and benefit the Bank has become a tool to offload Bank's deposits and extract personal gains. People occupying the higher positions in the hierarchy, who are in no way involved in cross selling are incentivized monetarily and also through well-designed foreign tours, termed as educational tours. The system has now begun to eat the vitals of the Banks and it has begun to affect loan processing, following of NPAs, Bank's CASA deposits and other aspects of traditional banking.

The 11th Triennial General Council meeting of AIBOC held on 17th March to 19th March, 2017 hereby demands to abolish the incentive system for cross selling prevailing in the Bank.”
