



**THE UNITED REPUBLIC OF TANZANIA
BANK OF TANZANIA**



THE BANK OF TANZANIA COMPLAINT RESOLUTION DESK

COMPLAINT NO.07 OF 2025

BETWEEN

PEACHY VILLAGE COMPANY LIMITED

AND

CRDB BANK (TANZANIA) LIMITED

DETERMINATION

The Bank of Tanzania Complaints Resolution Desk hereinafter referred to as "the Desk") received a complaint from Peachy Village Company Limited (hereinafter referred to as the Complainant) against CRDB Bank (Tanzania) Limited (hereinafter referred to as the Respondent).

The Complainant's complaint concerns the unauthorized withdrawal of Tshs. 13,213,200/- by third parties, following the respondent's act of opening a bank account in the complainant's name without the consent or legal authorization from the complainant's legal directors or shareholders.

The complainant asserts that it is a legally incorporated entity, duly registered with the relevant authorities, and operates in Tanzania with its registered office located in Kikuyu, Dodoma City Council. The company is managed by two directors/shareholders, Adam Kheri Famao and Stella Maserago Selestine, who are authorized to oversee and supervise the daily activities of the complainant in accordance with the company's Articles and Memorandum of Association.

Additionally, the complainant alleges that, on unspecified dates, the respondent unlawfully opened a bank account in the complainant's name (Account No. 015c763701S00) without legal justification or consent. As a result, third parties illegally withdrew Tshs. 13,213,200/- from the account, which was intended to be used for the complainant's business activities.

The complainant explains that the aforementioned funds were intended to be paid according to an agreement between the complainant and its customers. However, the related invoice, along with other important documents and property of the complainant, was stolen. Following the theft of these documents and properties, the complainant reported the incident to the Dodoma Central Police Station, and a Loss Report (Ref No. PHQ/DOD/DOD/5737/2024) was issued.

The complainant further asserts that, in violation of applicable laws, regulations, and procedures governing the opening of bank accounts, the respondent unlawfully opened the aforementioned bank account in the complainant's name without obtaining the complainant's consent or permission

The complainant further explains that, following the unlawful and malicious actions of the respondent, the complainant sent a letter dated 19.10.2023, requesting the return of the funds illegally obtained by third parties. In response, the respondent requested 45 days to conduct an investigation. However, after the 45-day period expired, the complainant received no response, despite sending multiple reminders.

Additionally, the complainant states that, due to the respondent's unjustifiable actions, they filed Civil Case No. 14845/2024 in the District Court of Dodoma. However, the case was withdrawn before it could be determined, with no permission to refile.

The complainant concludes by claiming damages from the respondent, including Tshs. 107,112,125/- for losses incurred due to the failure to perform daily economic activities, including the inability to supply goods and services requested by customers. Furthermore, the complainant seeks Tshs. 500,000,000/- as general damages for the loss of mental and psychological well-being, damage to reputation, goodwill, business relationships, integrity, and other costs incurred as a result of the respondent's actions.

In reply to the Complainant's claims, the respondent states that they received a demand notice from the complainant on 25.11.2023 and within 14 days they requested 30 days to conduct internal investigation, which was communicated to the Complainant.

The respondent avers that, following the investigation conducted, it was discovered that on 30.06.2023, the Respondents Dodoma branch, opened account number 01SC763701500 in the name of Peachy Village Company Limited. However, the account opening process was subject to review and approval by the Department of Banking Operations.

During the review, process by the respective department, there was an anomaly and therefore the account was restricted any debit transactions due to the missing company owners' approval, as per the BRELA search. The respective branch then contacted the customer to request the submission of the missing documents. However, the account was later unflagged by the branch before the completion of the KYC process.

The respondent further states that, they proposed a settlement by compensating the Complainant with the sum of Tshs 13,213,200/=. However, the Complainant, who chose to refer the matter to the Court, rejected this offer. In addition, since the matter was referred to Court, and the order denying the Complainant leave to refile effectively closed the door for litigating this matter in any court of law, tribunal, or commission, as dictated by the rule of law.

The Respondent insisted that they took the initiative to settle the dispute and reimburse the Complainant Unfortunately; the complaint could not be closed, as the Complainant was not ready to resolve the matter by accepting their offer.

The Desk having gone through the complaint, Respondent's notice of submission and documents submitted by both parties together with the relevant laws and procedures, the issue that emerged to be determined by the Desk are;

- i. whether the Complainant has any claims against the Respondent; and
- ii. What remedies are the parties herein entitled to

The Desk in answering this issue; the Desk considered Respondent's obligations in the process of Account opening. The Respondent is obligated under section 15 A of the Anti-Money laundering Act, to conduct thorough Customer due diligence (CDD) and adhere to Know Your Customer (KYC) principles. In order to prevent money laundering and other illicit activities, it is essential for the bank to perform comprehensive KYC checks. However, the Respondents acknowledged they discovered an anomaly whereby the names of the directors in the MEMART and BRELA records differed and they proceeded with unflagging the account on a later date before the completion of the KYC process. This failure compromises both the integrity of the account and exposes the Respondent to risks associated with non-compliance with anti-money laundering laws.

Responding to the final issue concerning reliefs of the parties herein; it has been proved that the account was in operation allowing outward transaction during which verification was pending, this further contradicts the Respondent's internal procedures and the regulatory framework governing banking operations. On account of the foregoing, it is the

findings of the Desk that the Respondent breached principles of account operations in the detriment of the Complainant.

Moreover, The Desk observed that the complainant lodged their complaint on 19.10. 2023 and the complaint received a reply on with a request for a 45 days for investigation, however, upon the expiry of those days, the Complainant received no reply and despite several reminders. The Respondent have failed to account for those days and whether complainant was updated on the ongoing investigation for resolution as required under regulation 49 of the BOT Financial Consumer Protection Regulation, 2019.

Therefore, the Desk orders the following;

- i. That the Respondent to immediately reimburse the complainant the amount Tshs. 13,213,200/= along with compensation for any potential losses suffered due to the bank's procedural shortcomings.
- ii. That the Respondent submits to the Bank a report on the actions to the officer involved in the unflagging of the above account contrary to the Respondent internal procedures
- iii. That the Respondent is subject to a penalty of 3 Million pursuant with Regulations 61(b) of the Bank of Tanzania (Financial Consumer Protection) Regulation, 2019 for non-compliance.

Signed this day of 2025

Digitally Signed By
Vitalis Philemon LUNANJO
07/04/2025 10:17 AM

**MANAGER
FINANCIAL CONSUMER PROTECTION
BANK OF TANZANIA
P. O. Box 2939
DAR-ES-SALAAM**

DIRECTORATE OF FINANCIAL DEEPENING AND INCLUSION

NB: *The Complainant or the Respondent may request the Desk in writing while giving reasons within fourteen (14) Days from the delivery of this Determination in compliance with Regulation 53(4) of the Bank of Tanzania(Financial Consumer Protection) Regulations, 2019 and Clause 15.5 of the Guidelines, to reconsider this Determination.*

