



## Customer Compensation and Protection Policy

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## Customer Compensation & Protection Policy

### 1. Introduction

RBL Bank aims to offer various kinds of banking services to its customers. However, in the event, for some reason which is beyond the control of the Bank or inadvertently, the Bank is unable to meet the service levels committed in the dealings with the customer, this compensation policy will be applicable. This Compensation Policy of RBL Bank (hereafter referred to as "The Bank") is designed to cover areas, including but not limited to fraudulent transactions carried in the account, delayed resolution of unauthorized/ failed electronic banking transactions, billing disputes in Credit Cards, breach of Code of Conduct, delayed closure of Credit Card accounts, payment of interest to customers for delayed collection of cheques/instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, foreign exchange services, issue of duplicate demand draft, ATM cash withdrawal, etc.

The policy is based on principles of transparency and fairness in the treatment of customers. The objective of this policy is to establish a system whereby the Bank compensates the customer for any financial loss he/she might incur due to deficiency in service on the part of the Bank or any act of omission or commission directly attributable to the Bank.

It is reiterated that the policy covers only compensation for direct and actual financial loss which customer might incur due to deficiency in the services offered by the Bank which can be measured directly and as such the commitments under this policy are without prejudice to the lawful rights available to the Bank. For the sake of clarity, in no event the Bank is liable for any indirect/ consequential loss, or loss of profit or any remote losses.

The Policy is subject to the actions of the Customer and the Terms and Conditions applicable on the respective product as uploaded on the website of the Bank.

This policy should be read in conjunction with Grievance Redressal Policy of the Bank. Clauses from the Bank's Grievance Redressal Policy shall form a part of this policy where not specifically addressed in this policy

### 2. Customers' Responsibility

Customers should take care for their cheque book, passbook, card, PIN, OTP, and other security information, adhere to safety guidelines mentioned by the Bank in its Fair Practice Code policy and also follow "Do's and Don'ts" issued by the Bank from time to time through various media sources including email, SMS, social media platforms, which is essential to help prevent fraud and protect their accounts. The Bank will not be responsible for any loss to the customers, if the customer acts fraudulently, or acts without reasonable care to safeguard his/her account related documents/information, or compromises with PIN, OTP, passwords, or confidential information, till such time the Bank is notified of such loss/ compromise and Bank has taken steps to prevent its misuse.

Documents/information of importance should be guarded very carefully at all times include but are not limited to information related to: Aadhar/PAN/Driving License, Registered mobile numbers & email id, PIN, OTP, passwords, or any other biometric/confidential information to avoid any fraudulent activity taking place in the account.

### 3. Recognition of Deficiency and Compensation

#### 3.1 Unauthorised / Erroneous Debit by the Bank:

- a) If the Bank has raised an unauthorized/erroneous direct debit to an account and upon being informed of the erroneous debit, the entry will be reversed with proper value date within reasonable timelines, after due verification.
- b) In case verification of the entry (reported to be unauthorized/ erroneous by the customer) does not involve a third party, the Bank shall arrange to complete the process of verification within a maximum period of 7 working days, from the date of reporting of such erroneous debit.
- c) In case, the verification of an unauthorized/erroneous debit involves a third party or where verifications are to be done at overseas centres, the Bank will strive to complete the verification process within a maximum period of one month from the date of reporting of unauthorised/erroneous transaction by the customer.
- d) In the event, the unauthorized/ erroneous debit has resulted in a financial loss for the customer by way of reduction in the minimum balance or daily closing balance applicable for payment of interest on savings bank deposit, or levy of charges for balance falling below the minimum account balance, payment of additional interest charged by the Bank in a loan account or any charges levied for return of cheques due to shortfall in balance, the Bank will compensate the customer for such loss.
- e) Unauthorised / Erroneous transaction reported by customers in respect of Debit/ Credit Card operations, which require a referral to a merchant establishment, will be handled as per chargeback rules laid down by respective card association.
- f) (i) In case of any fraud, if the bank is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the bank will at once acknowledge its liability and pay the claim, (ii) in cases where bank is at fault, the bank will compensate customers without demur, and (iii) in cases where neither the bank is at fault nor the customer is at fault but the fault lies elsewhere in the system, then also the bank will compensate the customers (up to a limit) as mentioned in Table 2- Summary of Customer's Liability given below in section 3.16.2 (e) which pertains to Overall Liability of the customer.

#### 3.2 ECS Debit /NACH Debit / Direct Debits/ Other Debits to Accounts:

The Bank undertakes to carry out debit instructions of customers in time subject to (a) Customer having already provided valid and complete mandate to accept any debit received from ECS (b) Direct debit / ECS received is complete and correct. Failure to carry out the instruction subject to clause (a) and (b) as above and for reasons directly attributable to the Bank, the customer shall be compensated at the prevailing Savings interest rate for the period between the due date of direct / ECS debit and the date of actual debit carried out by the Bank. Direct / ECS debits which are towards payments of an Equated Monthly Instalment (EMI), the Bank would reimburse the customer, penal interest, late payment charges, if any levied upon production of evidence of the same. Electronic payments such as RTGS / EFT / NEFT instructions will be governed by the applicable terms and conditions communicated to the customer.

The Bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the Bank. In the event the Bank levies any charge in violation of the arrangement, the Bank will reverse the charges with value date when pointed out by the customer subject to scrutiny of agreed terms and conditions and such other terms and conditions as may be communicated from time to time.

### **3.3 Funds transfer using NEFT & RTGS**

In terms of the RBI guidelines on payment of interest for instances of delay in affording credits/return of RTGS/NEFT transactions, the Bank undertakes to afford the credits to destination account holders or return the instruction to the remitting bank within the prescribed timeline. In cases where it is not possible to afford the credits to the beneficiary account within the prescribed timeline without any valid reasons, customer will be compensated:

For RTGS transactions: at the rate of current repo rate + 2%

For NEFT transactions: at the rate of RBI LAF repo rate + 2%.

### **3.4 Payment of Cheques after acknowledgement of Stop Payment Instructions:**

In case a cheque has been paid after stop payment instruction is received and acknowledged by the Bank, and there have been no subsequent and contradictory instructions received by the Bank, the Bank shall reverse the transaction and give value-dated credit to protect the interest of the customer. Such debits will be reversed after ascertaining the facts within 2 working days of the customer intimating the transaction to the Bank. Any consequential financial loss to the customer will be compensated as provided under para 3.1 d) above

### **3.5 Payment of Interest for delayed Collection of Cheques:**

The compensation on account of delays in collection of instruments would be as indicated in the Bank's cheque collection policy in the following instances:

- a) Payment of Interest for delayed Collection of Cheques
- b) Cheques / Instruments lost in transit / in clearing process or at paying bank's branch.

### **3.6 Compensation for Loss of Instrument in Transit:**

The compensation payable by the Bank for financial loss suffered by the customers due to loss of instrument, after it has been handed over to the Bank for collection by the customer.

In the event a cheque or an instrument accepted for collection, is lost in transit or in the clearing process or at the paying bank's branch, the Bank will immediately on coming to know of the loss, bring the same to the notice of the account holder. The account holder can accordingly inform the drawer to record stop payment and also take care that cheque, if any, issued by him / her are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The Bank will further provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. The Bank will compensate the account holder in respect of instruments lost in transit in the following way:

- i. In case information regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 working days, as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified in cheque collection policy.

- ii. In addition, the Bank will pay interest on the amount of the cheque for a further period of 15 days at the Savings Bank rate, to provide for a likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- iii. The Bank will also compensate the customer, upon production of receipt, for any reasonable charges he/she incurs in obtaining a duplicate cheque/instrument from a bank/ institution, who charges a fee for issue of such duplicate instrument.

### **3.7 Issue of Duplicate Demand Draft and Compensation for Delays:**

A Duplicate Demand Draft will be issued within a fortnight from the receipt of such request from the purchaser. Such request must be accompanied by documents as prescribed by the Bank. For delays beyond the above stipulated period post receipt of necessary documents at the branch, interest at the rate applicable for Fixed Deposit of corresponding period, will be paid as compensation to the customer.

### **3.8 Violation of the Code by Bank's Representative / Courier or DSA:**

In the event of receipt of any complaint from the customer that the Bank's Representative / Courier or DSA has:

- engaged in any improper conduct, or
- acted in violation of the Code of Bank's Commitment to Customers,

The Bank is committed to inquire the matter and endeavour to communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, compensate the customer for any direct financial loss incurred by the customer which is directly attributable to such violation, if any, as contemplated under this Policy

### **3.9 Transaction of "at par instruments" of Co-operative Banks by Commercial Banks:**

The Bank will not honour cheques drawn on current accounts maintained by other banks with it, unless arrangements are made for funding the cheques issued. The Issuing bank will be responsible to compensate the cheque holder for non-payment/delayed payment of cheques in the absence of adequate funding arrangement.

### **3.10 Lender's Liability: Commitments to Borrowers - Return of Securities / Documents**

- a) The Bank shall release all the original movable/immovable property documents and remove charges registered with any registry within a period of 30 days of repayment of all dues agreed to or contracted and completion of all other requirements that are applicable on the transaction at the place of release as confirmed by the borrower at the time of loan closure.
- b) In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the bank shall communicate to the borrower reasons for such delay and the bank will compensate the borrower for monetary loss suffered. In case where the delay is attributable to the bank, bank shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
- c) In case of loss/damage to original movable / immovable property documents, either in part or in full, the bank shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs in addition to paying compensation as indicated at paragraph b above. In such cases, bank

will have an additional time of 30 days to complete this procedure and the delay period penalty will be calculated thereafter (i.e after a total period of 60 days) There will be no compensation paid to the Borrower(s) / Guarantor(s) in following circumstances:

- If there is delay on part of the Borrower(s) / Guarantor(s) to provide documents to the satisfaction of the Bank. For e.g., if any of the Borrower(s) / Guarantor(s) is not available or does not have required Identity Proof to prove that he is the same person.
- If the Borrower(s) / Guarantor(s) have changed their residential / mailing address / phone numbers and have not intimated the Bank and Bank is not able to contact them for collection of original title documents. (Intimation by way of phone, letter, or email to any one of the Borrower(s) / Guarantor(s) will be deemed intimation to all Borrower(s) / Guarantor(s).)
- Force Majeure events.

### **3.11 Wealth Management Products:**

The Bank is a Corporate Agent and distributor of Insurance and Mutual Fund products. For any deficiencies in such services, the Bank will assist all customers to raise their grievances with the tie-up partners.

### **3.12 Foreign Exchange Services**

**Compensation for delayed payment:** Authorised Dealers shall pay or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of credit advice / Nostro statement. On receipt of disposal instruction complying with guidelines and all the required documents from the beneficiary, the Bank shall transfer funds for the credit of beneficiary's account immediately but not exceeding two business days from date of such receipt. In case of delay, the bank shall pay the beneficiary interest @ 2% over its savings bank interest rate. The bank shall also pay compensation for adverse movement of exchange rate, if any, as per its compensation policy specifying the reference rate and date applicable for calculating such exchange loss.

### **3.13 Loss or damage to the contents of the Safe Deposit Locker**

**Liability of Bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the Bank** – In instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the Banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

### **3.14 Service Deficiencies for Credit Cards**

- a) Issuance of Cards** - Where it is established that the Bank had issued an unsolicited card/upgraded existing card and activated a Credit Card without consent of the recipient, the Bank shall reverse the charges immediately and also pay a penalty to the recipient, amounting to twice the value of charges reversed as per regulatory guidelines in this regard.
- b) Card-issuers** shall be liable to compensate the complainant for the loss of his / her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him / her for the fault of the card-issuer and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from the card-issuer within a maximum period of one month from the date of lodging the



complaint, he / she will have the option to approach the Office of the concerned RBI Ombudsman for redressal of his / her grievance/s.

- c) **Billing disputes - Erroneous transactions** -disputed by customers in respect of Credit Card operations which require reference to a merchant establishment will be handled as per rules laid down by the card association. In case of any fraud, the Bank will compensate the customer for the direct and actual losses suffered by the customer if such fraud is attributable to direct actions of any staff.
- d) **Requests for closure of card account** - Any request for closure of a Credit Card will be honored within 7 working days, subject to full settlement of dues by the cardholder. Failure on the part of the Bank to complete the process of closure within 7 working days shall result in a penalty of ₹ 500 per calendar day of delay payable to the customer, till the closure of the account provided there is no outstanding in the account.

### **3.15 Compensation on delay in paying the FD / TD Maturity Amount to the Customer:**

**If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.**

### **3.16 Limiting Liability of Customers in Unauthorized Electronic Banking Transactions**

#### **3.16.1 Reporting of Unauthorised Transactions by Customers to the Bank:**

- a) It will be mandatory for the Customers to register for SMS alerts with the Bank and wherever available register for e-mail alerts, for electronic banking transactions. The Bank will mandatorily send SMS alerts to the customers, while email alerts may be sent, wherever registered.
- b) The Bank may not offer facility of electronic transactions, other than ATM cash withdrawals, to customers who do not provide mobile numbers to the Bank.
- c) The customers are advised to promptly notify the Bank of any unauthorised electronic banking transaction at the earliest through any of the channels notified by the Bank, after the occurrence of such transaction, as longer the time taken to notify the Bank, the higher will be the risk of loss to the Bank / customer. To facilitate this, the Bank will endeavour to provide customers with 24x7 access through multiple channels (at a minimum, via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, etc.) for reporting unauthorised transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.
- d) The Bank shall also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts to notify the objection, if any. As an alternative, Bank shall provide an alternate number in the transaction alert SMS itself, to which the customer can immediately send a reply.
- e) Further, a direct link for lodging the complaints, with specific option to report unauthorised electronic transactions shall be provided by the Bank on home page of the website.



- f) The loss/ fraud reporting system shall also ensure that immediate response (including auto response) is sent to the customers acknowledging the complaint along with the registered complaint number.
- g) The communication systems used by the Bank to send alerts and receive their responses thereto will record the time and date of the message sent and receipt of customer's response, if any, to the Bank. This shall be important in determining the extent of a customer's liability.
- h) On receipt of report of an unauthorised electronic banking transaction from the customer, the Bank shall take immediate steps to prevent further unauthorised transactions in the account through electronic banking channel.

### **3.16.2 Computation of Customer's Liability:**

Based on the outcome of the inquiry conducted by the Bank, the customer will be entitled to receive compensation as follows:

#### **a) Customer has "Zero Liability":**

A customer's entitlement to "Zero Liability" will arise, where the unauthorised transaction occurs in the following events:

- i) Fraud/ negligence/ deficiency on the part of the Bank as established by the inquiry carried out by the Bank (irrespective of whether or not the transaction is reported by the customer).
- ii) Third party breach, as established by the inquiry carried out by the Bank, where the deficiency lies neither with the Bank nor with the customer, but lies elsewhere in the system (i.e., no fraud/ negligence/ deficiency on the part of the Bank or customer), and the customer notifies the Bank within 3 working days of receiving the communication from the Bank regarding the transaction.

#### **b) Customer has "Limited Liability":**

A customer will be liable for the loss occurring due to unauthorised transactions in the following cases:

- i.) In cases where the loss is due to negligence by a customer, such as where the customer has shared or compromised the payment credentials, the customer will bear the entire loss until he/she reports the unauthorised transaction to the Bank. Any loss occurring after reporting such unauthorized transaction will be borne by the Bank.
- ii.) In cases where the responsibility for the unauthorised electronic banking transaction lies neither with the Bank nor with the customer, but lies elsewhere in the system, as arrived after inquiry carried out by the Bank (i.e. no fraud/ negligence/ deficiency on the part of the Bank or customer) and when there is a delay of 4 to 7 working days, after receiving the communication from the Bank, on the part of the customer in notifying the Bank of such a transaction, the liability of the customer per transaction will be limited to the transaction value or the amount mentioned in Table 1 below, whichever is lower.

**Table 1**
**Maximum Liability of a Customer under Para 3.15.2 b) (ii)**

Type of Account	Customer's Maximum Liability (₹)
<ul style="list-style-type: none"> <li>• BSBD Accounts</li> </ul>	5,000
<ul style="list-style-type: none"> <li>• All other SB accounts</li> <li>• Pre-paid Payment Instruments and Gift Cards</li> <li>• Current/ Cash Credit/ Overdraft Accounts of MSMEs</li> <li>• Current Accounts/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to ₹ 25 lakh</li> <li>• Credit Cards with limit up to ₹ 5 lakh</li> </ul>	10,000
<ul style="list-style-type: none"> <li>• All other Current/ Cash Credit/ Overdraft Accounts</li> <li>• Credit Cards with limit above ₹ 5 lakh</li> </ul>	25,000

**c) Customer is "Fully Liable":**

- i.) In cases where the responsibility for the unauthorised electronic banking transaction lies neither with the Bank nor with the customer, but lies elsewhere in the system, as per the inquiry carried out by the Bank (i.e. no fraud/ negligence/ deficiency on the part of the Bank or customer) and when there is a delay beyond 7 working days after receiving the communication from the Bank, on the part of the customer in notifying the Bank of such a transaction, the customer shall be solely liable in full for all the losses arising out of such unauthorized transaction.
- ii.) Transactions which have been performed by using the Account / Card / Payment Credentials [including Password/ PIN/ MPIN/ OTP (One Time Password)/ CVV] or the information available only with/ set by the customer himself/ herself (like Net Banking/ Mobile Banking User ID, Password, UPI VPA, etc.), will be treated as "Transaction performed by the customer or due to customer's negligence" and the complete liability for such transactions will be borne by the Customer.
- iii.) Further, in cases where the electronic banking transaction (alleged to be unauthorized) was completed successfully by using the second factor authentication sent by the Bank to the customer's registered email / mobile number, the complete liability for such transactions will be borne by the Customer.

**d) Customer's Obligations in determination of Liability in unauthorised transactions:**

- i) For all the electronic banking transactions claimed to be unauthorised, the Bank would require the customer to provide the relevant documents (including dispute form, copy of the FIR, etc.) within the stipulated time frame of 15 calendar days of customer reporting the unauthorized transaction.
- ii) In an event of the failure/ delay on part of the customer in submitting all the documents within the stipulated timeframe, the Bank will not be able to conclude the investigation and full liability of such unauthorized transaction(s) will be borne by the customer.

- iii) Further, the Bank reserves its right to debit the account for reversing the amounts in case a wrong credit is posted to a customer's account without payment of any compensation. However, in exceptional circumstances the Bank may compensate the customer for any incidental financial loss, at the discretion of the Bank.

**e) Overall Liability of the Customer:**

- i.) The overall liability of the customer in third party breaches, as detailed in Paragraphs 3.15.2 (a), (b) and (c), above, where the deficiency lies neither with the Bank nor the Customer, but lies elsewhere in the system, as per the inquiry carried out by the Bank, is summarised in Table 2 below:

**Table 2 - Summary of Customer's Liability**

<b>Time taken to report the fraudulent transaction from the date of receiving the communication from the Bank</b>	<b>Customer's liability (₹)</b>
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table 1, whichever is lower
Beyond 7 working days	Full

- ii.) The number of working days mentioned in Table 2 shall be counted as per the working schedule of the home branch of the customer, excluding the date of receiving the communication.

**3.16.3 Reversal Timelines for Zero Liability / Limited Liability of Customer:**

1. On being notified by the customer of the unauthorized transaction, the Bank will credit (temporary/ shadow reversal) the disputed amount, into the respective account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any). The credit shall be value dated to be as of the date of the unauthorised transaction.
2. Where verification involves a third party or requires reference to a merchant establishment, the same will be handled as per the rules laid down by the Card associations.
3. Saving and Current account holder will not be able to use the funds credited by way of temporary/shadow credit till the dispute is resolved in favour of the customer.
4. Bank will ensure to complete the investigation and provide final resolution on the liability of the unauthorized transaction, within a maximum of 90 days from the date of receipt of the complaint.
5. Where the Bank is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in above paragraphs will be paid to the customer.

6. The Bank will ensure that in case of debit card/ bank account, the customer does not suffer loss of interest, and in case of Credit Card, the customer does not bear any additional burden of interest.

### **3.17 Compensation Framework for Failed Transactions using Authorized Payment Systems**

The Reserve Bank of India (RBI) vide its circular on “Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems” has prescribed the framework & guidelines to be followed by the banks.

These guidelines issued from time to time will be applicable to the below mentioned channels/ transactions:

- Automated Teller Machines (ATMs) including Micro-ATMs
  - Card Transactions
  - Immediate Payment System (IMPS)
  - Unified Payments Interface (UPI)
  - Aadhaar Enabled Payment System (including Aadhaar Pay)
  - Aadhaar Payment Bridge System (APBS)
  - National Automated Clearing House (NACH)
  - Prepaid Payment Instruments (PPIs) – Cards / Wallets
- i. A ‘Failed Transaction’ is a transaction which has not been fully completed due to any reason not attributable to the customer, such as failure in communication links, non-availability of cash in an ATM, time-out of sessions, etc. Failed transactions also include the credits which could not be effected to the beneficiary account on account of lack of full information or lack of proper information and delay in initiating a reversal transaction.
  - ii. ‘T’ is the day of transaction and refers to the calendar date.
  - iii. ‘R’ is the day on which the reversal is concluded, and the funds are received by the issuer / originator depending upon the type of transaction. Reversal will be effected at the issuer / originator end on the same day when the funds are received from the beneficiary end.
  - iv. Domestic transactions i.e., those where both the originator and beneficiary are within India are covered under this framework.
  - v. Wherever financial compensation is involved, the same will be effected to the customer’s account suo-moto, without waiting for a complaint or claim from the customer.

- vi. Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint with the Reserve Bank – Integrated Ombudsman Scheme, 2021.

FRAMEWORK FOR AUTO-REVERSAL AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORIZED PAYMENT SYSTEMS			
SI No	Description of the incident	Framework for Auto-reversal and Compensation	
		* Timeline for Auto-reversal	Compensation Payable
I	II	III	IV
1	<b>Automated Teller Machines (ATMs) including Micro-ATMs</b>		
A	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2	<b>Card Transaction</b>		
A	<b>Card to Card Transfer</b>	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
	Remitter's Card account debited but the beneficiary's card account not credited.		
B	<b>Point of Sale (PoS) (Card Present) including Cash at PoS</b>	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
	Account debited but confirmation not received at merchant location i.e., charge-slip not generated.		
C	<b>Card Not Present (CNP) (e-commerce)</b>		
	Account debited but confirmation not received at merchant's system.		
3	<b>Immediate Payment System (IMPS)</b>		
A	Account debited but the beneficiary account is not credited.	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹ 100/- per day if delay is beyond T + 1 day.
4	<b>Unified Payments Interface (UPI)</b>		
A	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit the beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹ 100/- per day if delay is beyond T + 1 day.
B	Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5 days.	₹ 100/- per day if delay is beyond T + 5 days.

SI No	Description of the incident	Framework for Auto-reversal and Compensation	
		* Timeline for Auto-reversal	Compensation Payable
I	II	III	IV
5	Aadhaar Enabled Payment System (including Aadhaar Pay)		
A	Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate “Credit Adjustment” within T + 5 days.	₹ 100/- per day if delay is beyond T + 5 days.
B	Account debited but beneficiary account not credited.		
6	Aadhaar Payment Bridge System (APBS)		
A	Delay in crediting beneficiary’s account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹ 100/- per day if delay is beyond T + 1 day.
7	National Automated Clearing House (NACH)		
A	Delay in crediting beneficiary’s account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹ 100/- per day if delay is beyond T+1 day.
B	Account debited despite revocation of debit mandate with the bank by the customer.	Customer’s bank will be responsible for such debit. Resolution to be completed within T + 1 day.	
8	Prepaid Payment Instruments (PPIs) – Cards / Wallets		
A	Off-Us transaction		
	The transaction will ride on UPI, card network, IMPS, etc., as the case may be. The TAT and compensation rule of respective system shall apply.		
B	On-Us transaction		
	Beneficiary’s PPI not credited.  PPI debited but transaction confirmation not received at merchant location.	Reversal effected in Remitter’s account within T + 1 day.	₹ 100/- per day if delay is beyond T + 1 day

#### Exception to the rule of paying the compensation suo moto:

The compensation for the failed transactions at the Bank level will be paid to customer without waiting for a complaint of claim from customer, however the compensation for transactions done by customer in other bank channels will be paid to customer only upon receipt of compensation value from network.

### 3.18 Compensation Framework for complaints related to reporting of credit information to Credit Information Companies (CICs)

- The complainants shall be entitled to a compensation of ₹100 per calendar day in case the complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint with the Bank provided the complainant furnishes the complaint details as per Bank provided format.

- b) The Bank shall pay compensation to the complainant if the Bank has failed to send updated credit information to the CICs by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC. A CIC shall pay compensation if the CIC has failed to resolve the complaint within Nine (9) calendar days despite the Bank having furnished the updated credit information to the CIC within twenty-one (21) calendar days of being informed by the complainant or the CIC.
- c) Compensation to be provided by the Bank to the complainant (for delayed resolution beyond thirty (30) calendar days of filing the complaint) shall be apportioned among the Credit Institutions (CIs)/ CICs concerned proportionately. The Bank shall align the calculation methodology for payment of such compensation as suggested by RBI.
- d) The compensation amount (as applicable) shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.
- e) The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by the Bank.
- f) In case of wrongful denial of compensation by the Bank which are yet to be covered under the Reserve Bank - Integrated Ombudsman Scheme, 2021, the complainant can approach Consumer Education and Protection Cell (CEPC) functioning from Regional Offices (ROs) of Reserve Bank of India.

**Exclusions to Compensation Framework:** The above compensation framework shall not be applicable in the following cases:

- i. Disputes for which remedy has been provided under Section 18 of CICRA, 2005. The Section 18 of CICRA, 2005 provides that for disputes arising amongst, CICs, CIs, borrowers, and clients on matters relating to the business of credit information and for which no remedy has been provided under CICRA, 2005, such disputes shall be settled by conciliation or arbitration as provided in the Arbitration and Conciliation Act, 1996.
- ii. Complaints/ references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff, and (d) references in the nature of suggestions and commercial decisions of the Bank.
- iii. Complaints pertaining to disputes/ grievances regarding the computation of the credit score/ credit score model.
- iv. Complaints that have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.

The Bank shall undertake Root Cause Analysis (RCA) and shall place such details alongwith mitigation plan to the Board/Board Committee atleast on an annual basis.

#### 4. Disclaimer

Notwithstanding anything contained hereinabove, the Bank shall not pay any compensation in the following cases:

- a) Any alleged deficiency in loans and advances activities of the Bank. The deficiency being
  - i. If the loan and advance is not fulfilled by the customer at the time of closure of the loan or maturity.
  - ii. If the customer is deceased & there are no legal heirs with valid documents the same will not be considered for compensation.



- b) Dishonour of at par payment agreement with other banks, due to non-funding and security compliance.
- c) In case of delay on account of non-functioning of business due to factors beyond the control of the Bank the period covered by such events shall be omitted for calculation of delay etc.
- d) Where the issues are sub-judice and pending before any Courts, Ombudsman, Arbitrator, Statutory Authority, Government, etc. and/or the matter is put on hold due to stay.

## **5. Force Majeure**

The Bank will not be liable to compensate customers under this Policy, if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to the Bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.) beyond the control of the Bank, prevents it from performing its obligations within the specified service delivery parameters.