

CUSTOMER COMPENSATION POLICY

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I. Preamble

We always strive to provide better customer service with best possible utilization of Operational Systems and Technology Infrastructure. We strongly believes that a satisfied customer is the most important factor in business development. However, in the event, for some reasons that are beyond the control of the Bank or inadvertently, the Bank is unable to meet the service level commitments in dealing with the customers, then the interest of the customers can be safeguarded by referring to the Customer Compensation Policy. The policy is based on principles of transparency and fairness in the treatment of customers.

II. Objective

The objectives of this Policy are 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. By ensuring that the customer is compensated without having to ask for it, the Bank expects instances when the customer has to approach the Banking Ombudsman or any other forum for redressal to come down significantly.

III. Applicability

This Customer Compensation Policy will be applicable to all the customers banking with us and/or depending or availing the services of the Bank. The Policy will also be applicable to all the staff, who is handling banking transactions and related activities at all Branches/all departments at Head Office, HODC & Pune Regional Office.

IV. Amendments & review

The Bank reserves the right to amend/modify this policy as & when deemed fit and proper, at its sole discretion. Further, need based changes, if required, will be made from time to time with the approval of the Board.

The Bank shall endeavour to review the policy at annual intervals.

V. Scope

(a) The Policy is designed to cover deficiencies in services in areas relating to unauthorized debiting of account, incidences of unauthorized transactions effected through electronic mode, 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, lending, electronic transactions etc.

- (b) The Policy covers only compensation for financial losses in real terms for specific value which the 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 any right the Bank will have of defending its position before any Court of Law or any forum duly constituted to adjudicate banker-customer disputes. The Policy does not cover and is not applicable in respect of claims made by the customer on account of opportunity losses or damages or claims pertaining to reputation loss.

VI. Key elements covered under the policy

The Policy Document covers the following aspects:

1	Unauthorized / Erroneous Debits in the account of the customer
2.	NACH/ACH direct debits / Standing Instructions / other debits to Accounts.
3.	Payment of Cheques after Stop Payment Instructions
4.	Foreign Exchange Services
5.	Interest Payment for delayed collection of Outstation Cheques
6.	Cheque / Instruments lost in transit / in clearing process
7.	Issuance of Duplicate Demand Draft
8.	Debits towards Service Charges
9	Delay in credit/return of NEFT/NACH/ACH transactions
10.	Reversal of erroneous debits arising on account of A. Fraudulent Transactions B. Fraudulent unauthorized electronic banking transactions
11.	Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems.
12.	Return of all securities/documents/title deeds of mortgaged property
13.	Safe Deposit Locker facility provided by Bank
14.	Delay in updation / rectification of credit information

1. Unauthorized / Erroneous debit in the account of the customer

- (i) If the Bank has raised an unauthorized/erroneous direct debit to an account, the entry will be reversed immediately on being detected, with proper value date after due verification.
- (ii) In the event, the unauthorized/erroneous debit has resulted in a financial loss to the customer by way of reduction in the minimum balance applicable for payment of interest on saving bank deposit or payment of additional interest to the Bank in a loan account, the Bank will compensate the customer for such loss.
- (iii) Further, if the customer has suffered any financial loss incidental to return of a cheque or failure of direct debit instructions due to insufficiency of balance on account of the unauthorized / erroneous debit, the Bank will compensate the customer to the extent of such financial losses i.e. Refund of cheque return charges plus an amount equivalent to interest calculated on the unauthorized erroneously debited amount at applicable savings rate.
- (iv) In case verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank will arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of the erroneous debit. In case, the verification involves a third party, the Bank will strive to complete the verification process within a maximum period of one month from the date of reporting of the erroneous transaction by the customer.
- (v) 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.
- (vi) Erroneous/unauthorized transaction reported by customers in respect of Debit card operations, which require reference to a merchant establishment, will be handled as per rules laid down by card association or NPCI.

2. NACH/ACH direct debits / Standing Instructions / other debits to accounts

The Bank will undertake to carry out NACH/ACH direct debits/Standing Instructions of customers within the prescribed time subject to the following:

- a) Customer having already provided valid and complete mandate to accept any debit received through NACH/ACH.
- b) Customer having already submitted a mandate for Standing Instructions
- c) Direct Debit NACH/ACH received is complete and correct.
- d) Customer has sufficient balance in the account at the time of executing direct debits/standing instructions/NACH/ACH.

In case of failure to carry out the instructions or delayed compliance, subject to the aforesaid clauses, and for reasons directly attributable to the Bank, the Bank will compensate the customers on the following lines:

- i) **For NACH/ACH direct debits** – the Bank will compensate the customer at the savings bank interest rate for the period between the due date of NACH/ACH direct debit and the date of actual debit carried out by the Bank on the amount to be debited. The Bank will also reimburse the customer to the extent of any penal interest, late payment charges levied by the debit NACH/ACH originating Bank, upon producing evidence of the same.
- ii) **For Standing Instructions** – Bank shall compensate the customer to the extent of the financial loss not exceeding ₹ 100/- per occasion subject to providing proper supporting documents for having incurred the loss. In addition, the service charges if any recovered for execution of the Standing Instruction shall also be refunded.
- iii) **Debit Card** - Where it is established that the bank had issued and activated a debit card without written consent of the recipient, the bank would not only reverse the charges immediately but also pay a penalty without demur to the recipient amounting to twice the value of charges reversed as per regulatory guidelines in this regard.

3. Payment of Cheques after Stop Payment Instructions

The instructions given by customer for Stop Payment of cheque will be accepted at any of the branches. In case a cheque has been paid after a stop payment instruction is acknowledged by the Bank, the Bank shall reverse the transaction and give value-dated credit to protect the interests of the customer. Such debits will be reversed within 2 working days of the customer intimating the transaction to the Bank. In such cases the Bank shall compensate the customer to the extent of direct financial loss, if any, by way of loss of savings account interest on account of reduction in the minimum balance applicable for payment of interest on saving bank deposit or payment of additional interest in a loan account or any charges levied for reason of balance falling below minimum balance requirement or any charges levied for return of cheques due to shortfall in balance.

4. Foreign Exchange Services

- (i) The Bank will not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the Bank will not be able to ensure timely credit from the overseas banks.
- (ii) However, the Bank will compensate the customer for undue delays in affording credit once the proceeds received by our bank after taking into account period required for verification of the transaction and identification of the beneficiary. Such compensation will be given for delays beyond one week from the date of receipt of the proceeds by our Bank after taking into account verification & identification period referred above. The composition in such cases will interest for the delay in crediting the proceeds.

5. Interest Payment for delayed collection of Outstation Cheques

The Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period specified as per RBI guidelines in the matter. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection.

- (i) In all cases of delay in collection of outstation cheques and other instruments, the Bank will pay interest at saving bank rate for the delayed collection of proceeds of outstation cheques/instruments beyond the stipulated time norms (7/10/14 days)
- (ii) If the proceeds are not realized /credited to the customers' accounts or the unpaid instruments are not returned to customers within the period specified from the date of their lodgement, and if the delay is abnormal (i.e. above 30 days) the Bank will pay interest at the rate as applicable for appropriate tenor of fixed deposit for the period of delay beyond the specified period for collection of outstation instruments. Such interest will be paid without any formal demand from the customers in all types of accounts.

6. Cheque / Instruments lost in transit / in clearing process

- (i) 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 so that the account holder can inform the drawer to record "stop payment" and also take care that cheques, if any, issued by him/her are not dishonoured due to non-credit of the amount of the lost cheques/instruments.
- (ii) The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.
- (iii) In case the loss is intimated to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be), as per the Cheque Collection Policy of the Bank, interest will be paid for the period exceeding the stipulated collection period at the savings rate.
- (iv) The Bank will compensate the accountholder for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, (maximum ₹ 500/-) in the event the instrument is to be obtained from a bank/institution who would charge a fee for issue of duplicate instrument.
- (v) In case the cheque is lost by the Bank, the charges for "stop payment" instructions will not be levied on the customer.
- (vi) When a cheque/instrument is claimed to have been deposited by the customer in Drop-Box, but the Bank's records do not show receipt of such cheque with the

Bank, the Bank cannot decide on the compensation amount for lost cheque in the absence of details of cheque like date, amount, drawee bank/branch/drawee centre etc., In such cases, the customer will have to corroborate a claim for lost cheque with full facts, inter-alia including confirmation/enquiries from the drawee person/ banks about genuineness of the claim and, on this basis, if it is established that the customer has, in fact, tendered the cheque in Drop-Box, the Bank will consider payment of compensation to a maximum of ₹ 500/- on the basis of verification from CC TV footage.

7. Issuance of Duplicate Demand Draft:

The Bank will issue duplicate demand drafts in lieu of a lost demand draft, on the basis of a request from the purchaser, indemnity and confirmation from the beneficiary. The issuance of such duplicate drafts will be within a fortnight of the receipt of the necessary documents at the branch.

For any delay caused by the Bank in issuing a duplicate draft beyond the above stipulated period, the Bank will pay interest at the rate applicable for a fixed deposit of corresponding maturity in order to compensate the customer for such a delay.

The period of fortnight prescribed would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third party endorsement.

8. Debits towards Service Charges

The Bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the Bank and displayed on the Bank's website, notice board. In the event the Bank levies any charge in violation of the arrangement, the Bank will reverse the charges when pointed out by the customer, subject to scrutiny of the agreed terms and conditions. Any consequential financial loss by way of loss of saving bank interest on account of reduction in the minimum balance applicable for payment of interest on savings bank deposit or payment of additional interest to the Bank in a loan account or any charges levied for the balance falling below the minimum balance

requirement or any charges levied for return of cheques due to shortfall in balance, will also be compensated to the customer.

9. Delay in credit/return of NACH / ACH / RTGS / NEFT transactions

a) NACH / ACH-Credit

In case of NACH transactions, if there is delay in crediting amount to beneficiary's account or reversal of amount, the beneficiary bank shall reverse uncredited transaction with T + 1 day, failing which beneficiary bank shall compensate remitter ₹ 100/- per day if delay is beyond T + 1 day.

b) RTGS / NEFT

- (i) In the event of delay in return of the fund transfer instruction for any reason whatsoever, the Bank shall refund the amount together with interest at the current RBI LAF Repo Rate plus two per cent till the date of refund.
- (ii) During the RTGS / NEFT operating hours, originating banks should endeavour to put through the requests for RTGS / NEFT transactions received by them, either online or across the counters, preferably in the next available batch but, in any case, not exceeding two hours (from the business hours next day), from the time of receipt of the requests. In the likelihood of any delay / possible delay in adhering to this requirement, the originators / customers should be informed of the delay / possible delay and the reasons for the same.

10. Reversal of erroneous debits arising on account of fraudulent transactions and fraudulent unauthorized electronic banking transactions

A. Fraudulent transactions

- a) In case of any fraud, if the Bank establishes the fact that an irregularity / fraud has been committed by its staff towards any constituent it will acknowledge its liability and will restore the amount and also pay compensation @ 1% of the restored amount with the maximum limit of ₹ 1,000/-
- b) In cases where neither the Bank nor the customer is at fault, but the fault lies elsewhere in the system and the customer, by providing proper supporting documents establishes that a loss has been incurred, the Bank will restore the erroneously debited amount and also as a gesture of goodwill will compensate

the customer for an amount of 25% of the loss incurred by the customer subject to an upper limit of ₹ 1,000/-

B. Fraudulent unauthorized electronic banking transactions

Broadly, the electronic banking transactions are divided into 2 categories:

- i) Remote/online payment transactions i.e., transactions that doesn't require physical payment instruments to be presented at the point of transactions.

Example: Internet Banking, Mobile Banking, CNP (Card Not Present) transactions, Pre-paid Payment Instrument (PPI), etc.

- ii) Face-to Face/proximity payment transactions i.e., transactions which requires physical payment instruments such as card or mobile phone to be present at the point of transactions.

Example: Automated Trailer Machine (ATM), Point of Sale (POS), etc.

Currently, our bank is providing above mentioned electronic banking to the customers except Pre-paid Payment Instrument (PPI).

The bank shall determine the liability of the customers and compensate them in cases of unauthorized electronic banking transactions as under:

(a) Zero Liability of a Customer:

A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- (i) Contributory fraud/ negligence/ deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer)
- (ii) Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

(b) Limited Liability of a Customer:

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

- (i) In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials (viz., User ID, Password, PIN, MPIN, TPIN, OTP, Card Details, Mobile Device sharing or any other credentials that may be defined by the bank), the customer will bear the entire loss until he reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank.
- (ii) In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and the customer notifies the bank of such a transaction within four to seven working days of receiving the communication from the bank, the per transaction liability of the customer shall be as under:

Table 1

Sr. No.	Type of Account	Maximum liability
1.	Basic Savings Bank Deposit (BSBD) Account	₹ 5,000/- or transaction value whichever is lower.
2.	All other SB accounts Pre-paid Payment Instruments and Gift Cards Current/ Cash Credit/ Overdraft Accounts of MSME's 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 Credit cards with limit up to ₹ 5 lakh	₹ 10,000/- or transaction value whichever is lower.
3.	All other Current/ Cash Credit/ Overdraft Accounts	₹ 25,000/- or transaction value whichever is lower.

(c) Full Liability of a Customer:

The entire liability of the unauthorized electronic banking transactions shall be solely on the Customer in following cases:

- (i) Customer shall bear the entire loss in cases where the loss is due to negligence by the customer, e.g. customer has lost card, customer has shared payment credentials or Account/Transaction details, viz. Internet banking/ Mobile banking user id and pin, Debit/Credit card PIN/OTP or due to improper protection on customer devices like mobile/laptop/desktop leading to malware/ Trojan or Phishing/Vishing attack.

This could also be due to SIM deactivation by the fraudster or where the fraudster has gained access to customers' mobile banking/internet banking because of customer sharing debit card details or OTP. Under such situations, the customer will bear the entire loss until the customer reports unauthorized transaction to the bank.

- (ii) In cases where the responsibility for unauthorized electronic banking transaction lies neither with the Bank nor with the customer, but lies elsewhere in the system and when there is a delay on the part of the customer in reporting to the Bank beyond seven working days after receiving the communication from the Bank regarding unauthorized electronic banking transactions.
- (iii) The Bank will not be liable for the losses, in cases where the unauthorized electronic banking transaction was successful through the second factor authentication sent to the Customer's registered email/mobile number. It will be considered as sufficient proof of customer's involvement /consent in effecting the transaction.
- (iv) Customer should regularly update his/her registered contact details as soon as such details are changed. Bank will only reach out to customer at the last known email/mobile number. Failure of the customer to update the Bank with latest contact details shall be considered as customer negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability.

Hence, Bank will not be responsible for any unauthorized transaction initiated by family members or known members of the customer/accountholder through debit card/prepaid card or via any of the digital channels viz., Internet banking/Mobile banking, UPI, etc.

Overall liability of the Customer in third party breaches where the deficiency lies neither within the Bank nor with the Customer but lies elsewhere in the system, is summarized below:

Table 2

Sr. No.	Time taken to report the fraudulent transaction from the date of receiving the communication from the Bank	Customer's liability
1.	Within three working days	Zero liability
2.	Within four to seven working days	The transaction value or the amount mentioned in Table 1, whichever is Lower.
3.	Beyond seven working days	Full Transaction Value (Zero liability on Bank)

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.

(d) Reversal Timeline for Zero Liability/ Limited Liability of customer:

The Bank shall ensure that:

- On being notified by the customer, the bank shall credit (shadow reversal-lien) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance, if any)
- The credit shall be value dated as of the date of the unauthorized transaction.
- Customer's complaint shall be resolved and post determining the liability of the customer, if any, the customer shall be compensated within 90 days from the date of receipt of the complaint;
- Irrespective of whether the complaint is resolved, or customer liability is determined, the bank shall compensate the customer not exceeding 90 days from the date of receipt of the complaint.

- (v) 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. **(At present credit card is not provided by the bank)**

11. Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems

- (i) Reserve Bank has put in place a framework on Turn= Around Time (TAT) for resolution of customer complaints and compensation framework across all authorized payment systems which will result in customer confidence and bring in uniformity in processing of the failed transactions.
- (ii) The prescribed TAT is the outer limit for resolution of failed transactions.
- (iii) The bank and other operators / system participants shall endeavour towards quicker resolution of such failed transactions.
- (iv) Wherever financial compensation is involved, the same shall be effected to the customer's account suo moto, without waiting for a complaint or claim from the customer.
- (v) Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman of Reserve Bank of India.

Sr. No.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
1	Automated Teller Machines (ATMs) including Micro-ATMs		
	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	Card Transaction		
A	Card to card transfer Card account debited but the beneficiary card account not credited	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected	₹ 100/- per day of delay beyond T + 1 day

		to the beneficiary account	
B	Point of Sale (PoS) (Card Present) including Cash at PoS Account debited but confirmation not received at merchant location i.e., charge-slip not generated	Auto-reversal within T + 5 days	₹ 100/- per day of delay beyond T + 5 days.
C	Card Not Present (CNP) (ecommerce) Account debited but confirmation not received at merchant's system	Auto-reversal within T + 5 days	₹ 100/- per day of delay beyond T + 5 days
3	Immediate Payment System (IMPS)		
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	Unified Payments Interface (UPI)		
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
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

Note: *T is the day of transaction and refers to the calendar date and R is the day on which the reversal is concluded, and the funds are received by the issuer / originator.*

12. Return of all securities / documents / title deeds of mortgaged property

- (i) The Bank/Branch will return all the movable or immovable securities/documents/title deeds of the mortgaged property and remove charges registered with any registry within a span of **30 days**, after full repayment of all dues agreed to or contracted. If any right to set off is to be exercised for any other claim, the Bank will give due notice with full particulars about the other claims and retain the securities / documents / title to mortgaged property till the relevant claim is settled / paid.

Note: *The above point is applicable only to loans given to personal/individual such as consumer credit, education loans, loans given to creation/enhancement of immovable assets (example : Housing Loan)*

- (ii) 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 branch shall communicate in writing under acknowledgement to the borrower reasons for such delay. In case where the delay is on account of lapses of the bank, Bank will have to compensate the borrower at the rate of ₹ 5,000/- for each day of delay. Consequently, branches to exercise caution & avoid compensation payment to borrowers.

Note: Bank reserve right to keep original documents of movable/immovable property/ies in the event of irregularity/default in repayment in respect of any other direct or indirect liability of borrower/property owner, even if no charge has been created/extended on that particular property/ies for the loan account in default, which may please be noted.

- (iii) In case of loss/damage to original movable / immovable property documents, either in part or in full, Branches 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 above. However, in such cases, an additional time of 30 days will be available to branches to complete this procedure and the delayed period penalty will be calculated thereafter i.e., after a total period of 60 days

13. Safe Deposit Locker facility provided by Bank

A. Liability of banks :

The Bank shall be responsible for any loss or damage to the contents of the lockers due to negligence as bank owe a separate duty of care to exercise due diligence in maintaining and operating their locker or safe deposit system. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. Further, the Bank shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

(i) Arising from natural calamities like earthquake, flood, thunderstorm, lightning etc., or due to sole negligence of the customer :

The Bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Bank shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

(ii) Liability of banks arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employee of the bank :

The Bank shall take all steps for the safety and security of the premises in which the safe deposit vaults are housed. The Bank shall ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. The Bank cannot claim that they bear no liability towards their customers for loss of contents of the locker, 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.

14.Delay in updation / rectification of credit information

Reserve Bank vide its Circular dated 26th Oct.2023 has put in place a framework for compensation to customers for delayed updation / rectification of credit information

- (i) The Bank shall be responsible for updation /rectification of credit information with credit information companies (CICs). Compensation will be provided by the CI (Credit Institution i.e., Bank) / CICs to the customer for delayed resolution beyond 30 days of the filing the complaint by the customer with CI/CICs.
- (ii) Bank will compensate the customer for delayed updation / rectification of credit information as detailed below:

- (a) Customer shall be entitled to a compensation of ₹100 per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the customer with a CI/ CIC.
- (b) Bank shall pay compensation to the customer if Bank fails to send updated credit information to the CICs within twenty-one (21) calendar days of being informed by the customer or a CIC, .provided total 30 days period exceeds.
- (c) The date of the resolution of the grievance shall be the date when the rectified Credit Information Report (CIR) has been sent by the CIC or Bank (CI) to the postal address or email ID provided by the customer.
- (d) Customer should provide bank account details / Unified Payment Interface (UPI) ID for crediting the compensation amount. The onus of providing accurate details will lie with the customer and the CIs/ CICs will not be held responsible for any incorrect information provided by the customer.
- (e) The compensation amount shall be credited to the customer within five (5) working days of the resolution of the complaint.
- (iii) This compensation framework shall come into effect six months from the date of RBI Circular i.e., w.e.f. 26th April 2024.

Note: *The 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 CIC/CI.*

- (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.*

VII. Changes in Terms and Conditions

Changes in the terms and conditions will be communicated to the customers. If any change is made in the fees/charges without any notice, then the customers would be given 30 days to accept the change and if such change is to the disadvantage of the customer then the customer may within 60 days and without notice close the account and switch over without having to pay any extra charges or interest.

VIII. Force Majeure

The Bank shall 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 or its correspondent bank(s) systems, communication channels etc. beyond the control of the Bank, prevents it from performing its obligations within the specified service delivery parameters.

IX. Customers Responsibility

- (i) Customer must not share sensitive information (such as credentials of Debit Card including card details, PIN & CVV, User ID & Password of Internet Banking, OTP, MPIN & TPIN in case of Mobile Banking/UPI transactions, answer of security questions etc.) with any entity, including bank staff.
- (ii) The Bank will not be responsible for the loss to the customer, if the customer acts fraudulently and/or acts without reasonable care which has resulted into loss to him/her. The Bank will also not be responsible for the losses arising out of misuse of lost PIN, Cheque book, passbook, compromise of passwords/secure or confidential information, suffered by the customer until the time the Bank has been notified and has taken steps to prevent misuse.
- (iii) Customer should digitally block the channels using various options provided by the Bank and for debit card additionally by calling on Toll free number or by calling on

IVR, or inform the branch to block the credit/ debit card/ net banking/Mobile banking to reduce additional loss.

X. Disclaimer Clause

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

- (i) Any deficiency in regard to loans and advances activities of the Bank.
- (ii) Dishonour of at par payment agreement with other banks, due to non-funding and security compliance.
- (iii) 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.
- (iv) Where the issues are sub-judice and pending before Courts, Ombudsman, Arbitrator, Government and/or matter put on hold due to stay.

XI. Conclusion

This Policy is based on the RBI directives issued from time to time and holds good for the period 2023-2026. It explicitly covers compensation for financial losses which customers might incur due to deficiency in the services offered by the Bank. The Bank will have the right in defending its position before any forum duly constituted to adjudicate banker-customer disputes. The RBI's directions in this subject shall be having superiority over this policy documents.

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