



**GP PARSIK SAHAKARI BANK LTD**

(Multi-State Scheduled Bank)

# **CUSTOMER COMPENSATION POLICY – 2022-23**

**(Approved in Board Meeting dated 27<sup>th</sup> April, 2022)**

**GP PARSIK SAHAKARI BANK LTD.,**  
**(Multi-State Scheduled Bank)**  
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**CUSTOMER COMPENSATION POLICY, 2022-23**

This Customer Compensation Policy of GP Parsik Sahakari Bank Ltd. is framed as per Bye Law No.59 of the Bank and same is duly approved by the Board of Directors in its Meeting dated 27<sup>th</sup> April, 2022 vide Resolution No.8(7.7).

**INTRODUCTION:**

The co-operative Banks are set up for satisfying the financial needs of masses in the society. These banks are set up for local people by the local people. Banking is the service industry and customer is the centre of business of these banks. In the competitive age, survival of co-operative banks is much dependent on degree of quality of customer service rendered by co-operative banks. Further Technological progress in payment and settlement systems and qualitative changes in operational systems and processes undertaken by various players in the market have improved efficiencies for providing better service to the users of the system. It has been the endeavor of the Bank to offer services to its customers with best possible utilization of its technology infrastructure. Migration of all branches of the Bank to Core Banking Solution (CBS) platform is a great leap in this direction. The RBI has advised to reframe time norms for collection of Local Cheques in addition to other time frame of 7/10/14 days for collection of Outstation cheques/instruments; the Bank is required to compensate customers for delay in collection of instruments /cheques beyond these days in addition to other deficiency in services. Further, on account of technological development various electronics payment and transaction channels have been introduced through digital banking systems. The various digital applications are used through mobile and internet banking systems. The RBI as well as other regulatory authorities are encouraging digital transaction instead of cash transactions. However, digital banking is not free from the inherent risk of hacking systems by miscreants by

making unauthorized entry in records of the bank and swallow public money of the customers of the bank. There may or may not be fault on the part of customer or bank. However, interest of customer is to be protected by making proper security arrangements by banks. Accordingly, in order to increase security in banking operations and efficiency for better performance, to increase financial trust on banks, to have proper mechanism for addressing redressal of complaints of customer and to compensate adequately any customer who faces deficiency in services or if the deficiency neither lies with bank nor lies with customer but lies with system elsewhere the Customer Compensation Policy for the Bank has been formulated.

**OBJECTIVES:**

1. To observe the guidelines issued by RBI on payment systems through various customary as well as electronic channels, customer service and render the qualitative customer service
2. To address the grievance of the customer of the bank in that behalf.
3. To evaluate the grievance without prejudice
4. To provide remedy / solution to the grievance to the best possible extent.
5. To provide compensation due to deficiency in service on the part of the Bank or any act of omission or commission, directly attributable to the Bank.
6. To provide protection to customer limiting his liability in unauthorized electronic banking transactions.

**SCOPE:**

- a) The Policy covers resolution of all complaints raised by customers on account of system intricacies, banking procedures, gaps in customer service, service charges etc. Redressal machinery is also applicable to complaints raised on account of credit information of customers.
- b) The Policy is based on principles of transparency and fairness in the treatment of customers. It is designed to cover deficiency in service in areas relating to unauthorized debiting of accounts, payment of interest to

customers for delayed collection of cheques/instruments, payment of cheques after acknowledgment of stop payment instructions, remittances within India, lending etc. as specified in this Policy.

- c) Grant of compensation under this Policy is without prejudice to the Bank's rights in defending its position before any Court of Law, Tribunal or any other forum duly constituted to adjudicate banker customer disputes and does not constitute admission of liability or any other issue, of any nature whatsoever for the purposes of Adjudicatory proceedings.

### **RECOGNITION OF DEFICIENCY AND COMPENSATION**

#### **UNAUTHORIZED / ERRONEOUS DEBIT**

- If the Bank has raised an unauthorized/ erroneous debit to an account, the entry shall be reversed immediately on being detected/informed, after due verification. If such a debit has resulted in a financial loss to the customer by way 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 levying of penalty for not maintaining the stipulated minimum balance in the account, Bank shall compensate the customer to that extent.
- Further, if the customer has suffered any loss incidental to return of a cheque or not carrying out of direct debit instructions due to insufficiency of balance on account of the unauthorized / erroneous debit, Bank will compensate the customer to the extent of such financial loss in addition to an amount equivalent to interest calculated on the unauthorized / erroneously debited amount at applicable Savings Bank rate, minimum Rs.100/-, besides refunding the cheque return charges.
- In case verification of the entry reported to be unauthorised /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 erroneous debit. If it involves a third party or where verification is to be done at overseas centres, the Bank shall complete the verification process within a maximum period of one month from the date of reporting of unauthorised /erroneous transaction by the customer.

- In case any amount has been debited to the account of a customer on account of fraudulent transactions the amount will be restored to the affected customer account without delay/demur, once the fraud is established.
- If a fraud, in the account of a customer, has been committed by a member of staff, and has been so established, Bank will not only restore the amount, it will also pay compensation @ 1% above the specified rate as provided in Bank's Cheque Collection Policy for delayed collection in deposit account and @ 1% above the applicable interest rate (Base Rate) in respect of overdraft/loan account, for the period, on the amount involved.
- In case where neither the Bank is at fault nor the customer, but the fault lies elsewhere in the system, the Bank will help in restoring the actual amount involved and as a gesture of goodwill and to deal with the customers fairly, will also compensate the customer with Rs.100/- per Rs.5000/- maximum Rs.1000/- for each instance.

#### **ECS DIRECT DEBITS/ OTHER DEBITS TO ACCOUNTS**

- The Bank undertakes to carry out, within the prescribed time, direct debit /ECS (Electronic Clearing Service) debit instructions of customers. In the event of non-compliance/delayed compliance of instructions by the Bank to meet such commitments, the customer will be compensated to the extent of any financial loss the customer would incur on account of delay in carrying

out the instruction/failure to carry out the instruction.

- Such compensation may be equivalent to the interest calculated on the amount to be debited, for the delayed period, at applicable Savings Bank rate, with minimum of Rs. 100/-, subject to a maximum of Rs.1,000/-.
- 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 or inadvertently, Bank will reverse the charges, subject to scrutiny of agreed terms and conditions, and compensate the customer by a sum equal to the charges reversed.

**UNIFORMITY IN PENAL INTEREST PAYABLE BY BANKS FOR DELAYS IN CREDIT/RETURN OF NEFT/NECS/ ECS TRANSACTIONS.**

- In terms of the NEFT / NECS / ECS Procedural Guidelines of RBI, as also the relevant circulars / instructions issued by RBI from time to time, member banks need to afford credits to beneficiary accounts or return transactions (unaccredited for whatever reason) to the originating / sponsor bank within the prescribed timeline. Any delays in doing so attract penal provisions specified therein. In order to ensure standardisation of the benchmark rate used and bring in uniformity in penal provisions across the retail payment products, RBI has made the following modifications:

**NECS / ECS / NACH -Credit**

- Destination Bank would be held liable to pay penal interest at the current RBI Repo Rate plus two per cent from the due date of credit till the date of actual credit for any delayed credit to the beneficiaries' account. Penal interest shall be credited to the Beneficiary's Account even if no claim is lodged.”

<b>National Automated Clearing House (NACH)</b>			
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.	

### **NEFT / RTGS**

- In the event of any delay or loss on account of error, negligence or fraud on the part of an employee of the destination bank in the completion of funds transfer pursuant to receipt of payment instruction by the destination bank leading to delayed payment to the beneficiary, the destination bank shall pay compensation at current RBI Repo Rate plus two per cent for the period of delay for credit to the beneficiary's a/c. In the event of delay in return of the funds transfer instruction for any reason whatsoever, the destination bank shall refund the amount together with interest at the current RBI Repo Rate plus two per cent till the date of refund."
- During the NEFT / RTGS operating hours, originating banks should endeavour to put through the requests for NEFT/ RTGS 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.
- In terms of the RBI ECS (Credit Clearing) procedural guidelines which clearly stipulate that if a destination bank branch is not in a position to credit a particular transaction for reason like "Account Closed/ transferred";

"No such Accounts"; "Account description does not tally"; etc. it should report the same and forward it to the Service Branch/ Main Branch on the same settlement day.

Since the NEFT 24x7 system has gone live, i.e., December 16, 2019, the reserve Bank of India has been following up with NEFT member banks to upgrade their systems and provide inward / outward NEFT facility to their customers on 24 x 7 basis.

NEFT inward / outward facility 24x7 implicitly requires following adherence:

- i. payment of penal interest by banks for delays in credit to beneficiary's account or return of uncredited funds to the remitter, and
- ii. providing positive confirmation through SMS or e-mail to the remitting customer after the funds have been credited to the account of the beneficiary
- iii. ensure that in case of delayed credits or delayed returns, the penal interest as applicable is paid suo-moto to the customer without necessitating a request for the same by the customer.

**ISSUE OF ATM/DEBIT CARDS WITHOUT WRITTEN CONSENT OF CUSTOMERS:**

Where the Bank had issued an ATM / Debit card without written consent of the customer, which has been disputed by the customer without using the card, the said ATM/Debit card will be taken back by the Bank and got cancelled. The Bank would not only reverse the charges, if levied, immediately but also pay compensation to the customer Rs100/- if cancellation is done within 7 days of the representation and Rs.500/- for cancellation done after 7 days.



## **PAYMENT OF CHEQUES AFTER ACKNOWLEDGEMENT OF STOP PAYMENT INSTRUCTIONS**

The instruction for Stop Payment will be accepted at Home Branch / through Contact centre/ Internet Banking (alternate channel).

In case a cheque has been paid after stop payment instruction is acknowledged by the Bank, Bank shall reverse the debit with value dated credit within two working days of the customer intimating the transaction to the Bank and also compensate the customer with Rs.100/-. However, no compensation will be paid if cheque has been paid prior to acknowledgment of stop payment instructions.

## **COLLECTION OF CHEQUES PAYABLE IN INDIA**

### **Local Cheques**

A). All cheques and other negotiable instruments payable locally will be presented through the clearing system prevailing at the center. Cheques deposited at branch counters and in collection boxes within the branch premises before the specified cut-off time and after the cutoff time in collection boxes outside the branch premises including off-site Automated Teller Machines will be presented in the next clearing cycle. As a policy, the Bank will give credit to the customer account on the same day in which the clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house.

To enhance the efficiency of the paper based clearing systems, the Cheque Truncation System banks of the BBCH Banker's Clearing House are participating in the CTS. To encourage complete migration of cheques in the Mumbai to CTS. CTS grid has been implemented at Nasheman Building, Kalwa, Thane, The clearing of various cities has been linked to the CTS grid at these locations. Reserve Bank of India will continue to issue directions to include clearing of additional cities to the grid locations.

B.) Due to any technical reason by the bank, as far as clearing and

settlement concern. Cheques that need to be re-presented without any recourse to the payee, will be made in the immediate next presentations clearing not later than 24 hour (excluding holidays) with due notification to the customers of such re-presentation through SMS alert.

C.) Upon the commencement of special session for non-CTS-2010 standard instruments, banks will return the non-CTS-2010 instruments, if any, presented in the regular CTS clearing, under the reason code "37-Present in proper zone".

### **Timing for acceptance**

A.) Cheques would be accepted during business hours of the Bank branch. Alternatively, cheques can be deposited at ATM centers round the clock, wherever collector boxes are installed.

B). Collection timings for local cheques drawn on other banks (local clearing)

The cut-off time for sending cheques for collection would be worked out for each location/branch based on cut-off time afforded by clearinghouse at each location. The cut-off timings would be displayed at branches/ATM for customers.

Collection timings for local cheques drawn on own branches of bank (transfer cheques):

Cheques deposited across the counter: Same working day

Cheques deposited in Branch/ATM drop box : As per the cut off timings of the respective drop box.

### **Outstation cheques**

A.) Banks as a part of their normal banking operations undertake collection of cheques deposited by their customers, some of which also could be drawn on non-local bank branches. Such cheques are called Outstation Cheques. Cheques drawn on other banks at outstation centers will

normally be collected through bank's branches at those centers. Where the Bank does not have a branch of its own, the instrument would be directly sent for collection to the drawee bank or collected through correspondent bank.

Cheques drawn on Bank's own branches at outstation centers will be collected using the inter-branch (ABB) arrangements in vogue. Branches, which are connected through a centralized, processing arrangement and are offering anywhere banking services to its customer will provide same day credit to its customers in respect of outstation instruments drawn on any of its branches in the Core Banking Solutions network.

B.) Outstation cheque collection through collection basis takes around one to three week's time depending on the drawee centre. Under Speed Clearing and or collection basis, it would be realized as per the clearing cycle of the location.

**PAYMENT OF INTEREST FOR DELAYED COLLECTION OF OUTSTATION CHEQUES:**

As part of the compensation policy of the bank, the bank will pay interest to its customers on the amount of collection instruments in case there is delay in giving credit beyond the time period specified in Bank's **Cheque collection policy**. 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.

**Interest for delayed collection shall be paid at the following rates:**

- a) Saving Bank rate for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques, i.e. from 8<sup>th</sup> /11<sup>th</sup>

/15<sup>th</sup> day, the interest will be payable.

- b) Where the delay is beyond 14 days interest will be paid at the rate applicable for term deposit for the corresponding period or Saving Bank rate, whichever is higher.
- c) In case of extraordinary delay, i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- d) In the event that proceeds of cheque under collection, to be credited to an overdraft / loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the rate applicable to the loan account.

Interest as above shall be payable with a minimum of Rs.25/-.

Compensation as detailed above shall be paid without any formal demand from customers and there shall be no distinction between instruments drawn on the Bank's own branches or on other banks which are payable in India.

### **COMPENSATION FOR DELAY IN CLEARANCE OF LOCAL CHEQUES**

- Cheques deposited in the drop-box upto 11 a.m. will be sent for clearance on same day, for which the clearance period will be T+1 working days. Cheques deposited after 11 a.m. will be sent for clearing on next day, for which clearance period will be T+2 working days.
- The compensation to the customers is payable, in case of delay in clearance of local cheques beyond above stipulated period. Such compensation shall be paid without any demand from customers in all types of accounts at Savings Bank interest rate.
- Instruments drawn on the bank's own branches and presented across the counter are being credited, to the customers' account on the same

day, subject to cheque amount being under existing cap for non-home transactions.

- Bank shall also permit usage of the shadow credit afforded to the customers' account immediately after closure of relative return clearing and, in any case, withdrawal shall be allowed on the day of affording shadow credit or maximum within an hour of the commencement of business on the next working day, subject to usual safeguards.

#### **COMPENSATION FOR LOSS OF CHEQUES / INSTRUMENTS IN TRANSIT.**

- In the event a cheque or an instrument accepted for collection is lost in transit or in clearing process or lost by the Service Provider ( in case of CMP), the Bank shall immediately on coming to know of the loss of instrument, bring the same to the notice of the accountholder so that the accountholder 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 cheque/instrument. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.
- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection, as per the Cheque Collection Policy of the Bank, (7/10/14 days as the case may be) interest will be paid for the period beyond the stipulated collection period at the rates specified in para4.6.2 above for cheques payable in India.
  - i) Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for possible further delay in obtaining duplicate cheque /instrument and collection thereof.
  - ii) The Bank would also compensate the customer for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of

receipt, in the event the instrument is to be obtained from a Bank / institution who would charge a fee for issue of duplicate instrument, subject to a maximum of Rs. 250/-.

**ATM FAILURE: COMPENSATION TO CUSTOMER FOR SETTLEMENT OF DISPUTED ATM TRANSACTIONS**

RBI's instructions/guidelines now stipulate that the time limit for resolution of customer complaints by the issuing banks shall stand reduced from 7 working days to 5 working days from the date of receipt of customer complaint. Accordingly, failure to re-credit the customer's account within 5 working days of receipt of the complaint shall entail payment of compensation to the customer @ Rs.100/- per day by the issuing bank provided the claim is lodged with the issuing bank within 30 days of the date of transactions and branch has failed to establish the proof of payment/disbursement by ATM.

- Customer compensation on delayed credit is not applicable on chargeback raised under reason code 'Counterfeit EMV Card Fraud' Interoperable Cash Deposit (ICD) and International ATM transactions.
- The Customer Compensation shall be calculated from the transaction date.
- The existing RBI TAT of dispute resolution has been changed from 7 working days from the complaint date to 5 calendar days from the transaction date, therefore the representation TAT shall be changed from 5 working days to 5 calendar days in DMS.
- TAT for raising Pre-arbitration shall be reduced from existing 30 days to 14 days.
- TAT for raising Pre –arbitration rejection shall be reduced from existing 17 days to 7 days.
- TAT for raising Arbitration shall be reduced from existing 30 days to 14 days.

<b>1</b>	<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.

### **PAYMENT OF "AT PAR" CHEQUES ISSUED BY OTHER BANKS**

- Bank will not pay any compensation, to the cheque holder, for dishonour of "at par" cheques issued by other banks, including co-operative banks, in the absence of adequate funds in the account on which cheques are issued even though the amount of the cheque may have been paid to the bank which had issued the "at par" cheque.
- RBI instruction stipulate that banks will not honour cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding cheques issued. Issuing bank should be responsible to compensate the cheque holder for non- payment of cheques in the absence of adequate funding arrangement.

### **LENDERS LIABILITY: COMMITMENTS TO BORROWERS:**

The Bank has adopted the principles of "Lenders' liability. In terms of guidelines for lenders' liability, and the "Code of Bank's commitment to customers" adopted by the Bank, the Bank would return to the borrowers all the securities /documents /title deeds to mortgage property within 15 days of repayment of all dues agreed to or contracted, subject to any other right/lien/claim by the Bank till the relevant claim is settled /paid. If any right to set off is to be exercised for any other claim, Bank would give due notice with full particulars about the other claims and retain the securities/documents/title to mortgage property till the relevant claim is settled/paid. In the event of loss of title deeds to mortgaged property at the hands of the Banks, the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lump sum amount as decided by

the Bank in the following manner “The Bank would pay the compensation for delay in return of securities / documents/title deeds to the mortgaged property beyond 15 days of repayment of all dues agreed to or contracted, subject to above conditions, @ Rs.100/- per day subject to maximum Rs.5000/- to the borrower.”

### **VIOLATIONS BY BANK’S AGENTS**

In the event of receipt of any complaint from the customer that the Bank’s representatives/couriers, or any other agent(DSA) engaged in any improper conduct or acted in violation of the Code of the Bank’s commitment to customers which the Bank has adopted voluntarily, the Bank shall take appropriate steps to investigate and redress the complaint and endeavor to communicate to the customer within 7 working days from the date of receipt of complaint and where justified, may compensate the customer suitably for financial loss as decided by the Bank. Also, steps will be taken, if required as per Bank’s decision, to prevent recurrence of similar complaints.

### **REVERSAL OF ERRONEOUS/UNAUTHORIZED/FRAUDULENT DEBITS ARISING ON INTERNET BANKING (VISHING /PHISHING /SMISHING RELATED TRANSACTIONS) POINT OF SALES (POS) (SKIMMING OF THE CARD) AND MOBILE BANKING, UNIFIED PAYMENT INTERFACE (UPI), BHARAT BILL PAYMENT SYSTEM (BBPS)**

All such erroneous or suspect debits will be investigated by the Bank in conjunction with Government, law enforcing bodies and/ or respective responsible authority wherever required.

Depending on outcomes of such investigations on a case to case basis, The GPPJSB – Internet/Mobile banking including UPI, BBPS and PoS Compensation Policy



(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 shall at once acknowledge its liability and pay the just claim.

(ii) In cases where Bank is at fault, the Bank shall compensate the customer without raising objection what so ever.

(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 the Bank shall compensate the customer upto 50% (not exceeding INR 5000 amount) of only the direct financial loss suffered by the customer. Such compensation would be paid only once in the lifetime of an account.

(iv) In cases where the Bank is not at fault, but the customer has either acted fraudulently, negligently or contributed to unauthorized access or inadvertently compromised his/her Internet/Mobile Banking security details [examples are (but not limited to) Client ID or User ID, transaction/login/password/one time passwords, TPIN/QPIN date of birth, mother's maiden name, answers to security questions, etc.] or acted without reasonable care (which includes not taking steps to protect computers from hackers or visiting unreliable websites) the case will be handled as per applicable provisions of the extant Code of Commitment to customers in compliance to Banking Codes and Standards Board of India (BCSBI).

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
<b>1</b>	<b>Card Transaction</b>		
a	<u>Card to card transfer</u>  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 to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	<u>Point of Sale (PoS) (Card Present) including Cash at PoS</u>  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	<u>Card Not Present (CNP) (e-commerce)</u>  Account debited but confirmation not received at merchant's system.		
<b>2</b>	<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.
<b>3</b>	<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.
<b>4</b>	<b>Aadhaar Enabled Payment System (including Aadhaar Pay)</b>		
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.		
<b>5</b>	<b>Aadhaar Payment Bridge System (APBS)</b>		
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.
<b>6</b>	<b>Prepaid Payment Instruments (PPIs) – Cards / Wallets</b>		
a	<u>Off-Us transaction</u>  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	<u>On-Us transaction</u>  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.

## **Limited Liability of a Customer**

### **(a) Zero Liability of a Customer**

6. A customer's entitlement to zero liability shall arise where the unauthorised 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 unauthorised transaction.

### **(b) Limited Liability of a Customer**

7. A customer shall 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 he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorised transaction to the bank. Any loss occurring after the reporting of the unauthorised transaction shall 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 and when there is a delay of (**four to seven working days** after receiving the communication from the bank) on the part of the customer in notifying the bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower.

**Table 1**  
**Maximum Liability of a Customer under paragraph 7 (ii)**

Type of Account	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 Rs.25 lakh</li> <li>• Credit cards with limit up to Rs.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 Rs.5 lakh</li> </ul>	25,000

Further, if the delay in reporting is beyond **seven working days**, the customer liability shall be determined on merits and on case to case basis. Such case will be reported to the Board of Directors will full details and Board will decide the customer liability. The Bank shall provide details of this policy in regard to customers' liability formulated in pursuance of these directions at the time of opening the accounts. The Bank shall also display their approved policy in public domain for wider dissemination. The existing customers must also be individually informed about the bank's policy.

8. Overall liability of the customer in third party breaches, as detailed in paragraph 6 (ii) and paragraph 7 (ii) above, where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarised in the Table 2:

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

<b>Time taken to report the fraudulent transaction from the date of receiving the communication</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	As per bank's Board approved policy

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.

**Reversal Timeline for Zero Liability/ Limited Liability of customer**

9. On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorised 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 claim, if any). Banks may also at their discretion decide to waive off any customer liability in case of unauthorised electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorised transaction.

10. Further, the bank shall ensure that:

- (i) a complaint is resolved and liability of the customer, if any, established within 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions of paragraphs 6 to 9 above;
- (ii) where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in paragraphs 6 to 9 is paid to the customer; and
- (iii) 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.

**ABOVE STATEMENTS IS SUBJECT TO THE FOLLOWING VERY IMPORTANT NOTES:**

**The Bank reserves the right to reject claims arising as a consequence of:**

- Violation of terms and conditions for GPPSB – Internet/Mobile banking including UPI, BBPS and PoS banking services offered or any other digital banking services that may be offered in future by the Bank.
- Non adherence by the customer to various guidelines released by the Bank from time to time for ensuring safeguard of a GPPSB – Internet/Mobile banking including UPI, BBPS and PoS banking account or other sensitive information etc. for the services as mentioned above.
- Customers must always ensure that they have updated their current contact details especially a working mobile number and email id so as to receive alerts promptly. Failure to keep such contact information with the Bank updated may result in the customer being held liable for any loss suffered as a result of misuse of Internet Banking and Mobile Banking facilities and other banking facilities as mentioned above.
- No compensation shall be entertained or paid for any indirect or consequential loss arising out of the suspect or fraudulent transaction in question

**CUSTOMERS' RESPONSIBILITY:**

- Bank will not be responsible for the loss to the customers due to customer's carelessness in keeping the Cheque book, passbook, cards, PIN or other security information and not following Do's and Dont's issued by Bank, until the Bank has been notified by the customer.
- 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. Bank will also not be responsible for the losses arising out of misuse, of lost PIN, 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.

**DISCLAIMER CLAUSE:**

Notwithstanding anything contained here 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) Delays 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 matter put on hold due to stay.

**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, fire, 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.

**AMENDMENT/MODIFICATION OF THE POLICY**

The Bank reserves the right to amend/modify this Policy, as and when deemed fit and proper, at its sole discretion. Bank shall also endeavour, to review the Policy at annual intervals.

**Dr. M. D. Pai**  
**Chief Executive Officer**