



Customer Compensation Policy

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Customer Compensation Policy

1. Introduction

1.1 Technological progress in payment and settlement systems and the qualitative changes in operational systems and processes brought out by various players in the market have ushered in increasing competition resulting in improved efficiencies in providing better service to the users of the system. It will be Bank's endeavor to offer services to its customers with best possible utilization of its resources i.e., both human and technological.

1.2 Reserve Bank of India (RBI) has advised that each Bank should have a Board approved Compensation Policy which would provide the contours of the financial compensation in the event of any difficulty/inconvenience/loss suffered or likely to be suffered by the customers on account of the action of the Bank.

1.3 IDBI Bank/ Bank is one of the leading Banks in the country, which deploys state - of - the - art technology to provide world-class services to its customers. The Vision Statement of the Bank is "To be the most preferred and trusted Bank enhancing value for all stakeholders".

1.4 As customers are the biggest stakeholders for the Bank, the Vision Statement truly reflects the commitment of the Bank to enhance value to the customers. The Customer Compensation Policy (the Policy) of the Bank is a reflection of the Bank's on-going efforts to provide better service to customers and set higher standards for performance.

1.5 The Mission Statement of the Bank, inter alia, incorporates the following:

- a. Delighting customers with our excellent service and comprehensive suite of best-in- class financial solutions;
- b. Deploying world class technology, systems and processes to improve business efficiency, comply with regulatory norms and adopt best risk management and compliance practices;
- c. Continuing to act in a fair, transparent and ethical manner, to be a benchmark for good corporate governance;

1.6 Thus, the Bank acknowledges that the customer is the core constituent of the Bank and every action of the Bank should be aimed at Customer Delight and the Bank should not allow its operations to lead to any monetary loss to the customer.

1.7 However in the extraordinary circumstances of the Bank's action / service leading to any financial loss to the customer, the Bank will compensate the customer for the financial loss. Towards this end, the Bank has formulated a 'Customer Compensation Policy' that gives the rights and responsibilities of the

customer and Bank, in matters relating to compensation for the loss, if any, incurred by the customer in their day to day operations with the Bank.

1.8 The Policy is made to ensure that the staff at all levels in the Bank are aware of the Policy of the Bank in this regard, so that dealings with the Customer is uniform across geography and types of customers and is based on transparent standards/procedures.

2. Objectives of the Policy

2.1 To lay down a Policy Frame work for abiding by RBI guidelines on 'Compensation'

2.2 To ensure transparency and equality in the treatment of customers.

2.3 To create a system whereby the Bank compensates a customer for any financial loss that he might incur on account of any deficiency in service / omission / commission directly attributable to the Bank.

2.4 Pay such compensation without the customer asking for the same and thereby reducing instances where the customer has to approach forums such as Banking Ombudsman etc.

2.5 To enable the customer to know before or during a relationship, his rights and responsibilities in matters relating to 'Compensation'.

2.6 To reiterate existing system / put in place proper system in a transparent manner so that the customer can take an informed decision in matters relating to compensation.

3. Scope of the Policy

3.1 This policy is applicable across all branches / business segments of the Bank, and is to be read in conjunction with related operational guidelines issued from time to time.

3.2 The contents of the policy shall always be read in tandem/auto-corrected with the changes/modifications that may be advised by RBI and / or by any regulator and / or by the Bank from time to time.

3.3 Definition of a customer for the purpose of this Policy: Customer is defined as a person or entity that maintains an account with the Bank or availing or has availed any service in the normal course of Banking.

3.4 This Policy attempts to deal with the financial loss to the customer on account of deficiency in service / omission / commission directly attributable to Bank.

3.5 This Policy excludes compensation, if any relating to non-financial loss.

3.6 It is reiterated that the policy covers only compensation for financial losses which customers 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 in defending its position before any forum duly constituted to adjudicate banker-customer disputes.

4. Unauthorized / Erroneous Debit/mis-selling of Bank's products or Third Party Products/Unintended charges/extra interest charged/Anyother action resulting in financial loss

4.1 If the Bank has raised an unauthorized / erroneous direct debit to an account or received any complaint regarding the account being debited without consent of the customer or mis-selling of any bank's product or third party product or account debited with unintended charges/extra interest (Any changes/interest which is levied to the customer other than those stipulated by the Bank and accepted by the customer as per terms and conditions would be treated as 'Unintended charges/extra interest') or any action which has caused a financial loss to the customer, Bank shall take appropriate steps to investigate and handle the complaint. In case of lapses by the Bank are established, Bank will compensate the customer by reversing the entry with value dated credit to deposit/Overdraft/Loan account immediately. 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, 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/direct debit instructions charges."

The above shall be also applicable to complaints received for any event/delayed action on the part of Bank which might result in any financial loss to the customer.

4.2 In case verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank shall endeavour to complete the process of verification within a maximum period of 7 working days from the date of reporting of erroneous debit. In case, the verification involves a third party or where verifications are 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 erroneous transaction by the customer.

4.3 The Bank reserves its right to debit the account with value date for reversing the amounts in case a wrong credit is posted to a customer's account without payment of any compensation.

4.4 Erroneous transaction reported by customers in respect of credit card operations which require reference to a merchant establishment will be handled as per rules laid down by card association.

5. Direct Debit / ECS Debit to customer accounts:

5.1 The Bank will undertake to carry out within the prescribed time, direct debit/ ECS debit instructions of customers. In the event the Bank fails to meet such commitments, customer will be compensated to the extent of any financial loss the customer would incur on account of delay in carrying out the instructions/failure to carry out the instructions.

5.2 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.100.00 subject to a maximum of Rs.1000.00.

5.3 In the event of any unauthorised / erroneous ECS/Other debit which results in any financial loss to the customer by way of reduction in the minimum balance or payment of additional interest to the Bank in a loan account, Bank will compensate the customer for such financial loss.

5.4 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 unauthorised / erroneous ECS /Other debit, the Bank will compensate the customer to the extent of such financial losses.

5.5 The compensation for such financial losses will, however, be restricted only to reimbursement of actual expenses incurred by the customer e.g. penalty / interest paid by the customer to regularize the schedule which got disturbed on account of delay in carrying out the instructions/failure to carry out the instructions.

5.6 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 when pointed out by the customer subject to scrutiny of agreed terms and conditions, and compensate the customer with a sum equal to the charges reversed. Any consequential financial loss to the customer will also be compensated.

6. Delay in credit/ return of NEFT/RTGS/NECS/ECS transaction

6.1 In terms of the NEFT / NECS / ECS Procedural Guidelines of RBI, as also the relevant circulars / instructions issued by RBI from time to time, Bank shall afford credits to the account of beneficiary or return the transactions (un-credited for whatever reason) to the originating / sponsor bank within the prescribed timeline and any delay in doing so will attract penal provisions specified therein.

6.2 Accordingly, Bank would give NECS/ECS Credit on the identified value date subject to beneficiary details received from sponsor Bank matching with the customer records as available with Bank. In case of any delayed ECS Credit, Bank will 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. Penal interest shall be credited to the Beneficiary's Account even if no claim is lodged.

6.3 In case of NEFT, in the event of any delay or loss on account of error, negligence or fraud on the part of an employee of the Bank, the 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. Compensation shall be credited to the Beneficiary's Account even if no claim is lodged.

6.4 In case of RTGS, if it is not possible to credit the funds to the beneficiary customer's account for any reason, the funds received by the bank will be returned to the originating bank within one hour of receipt of the payment at the Payment Interface (PI) or before the end of the RTGS Business Day, whichever is earlier. In case of any delay in returning the failed payment, the originating customer is eligible to receive compensation at current repo rate plus 2%.

6.5 In case of delay in credit to loan account, the amount of compensation to be, RBI Repo rate plus 2% or the actual interest charged in the account whichever is less.

7. Payment of Cheques after Stop Payment Instructions/Non Blocking of lost Debit card after acknowledgement of request for its blocking

7.1 In case a cheque has been paid after stop payment instruction is properly submitted and acknowledged by the Bank/Debit card has not been blocked after such a request has been acknowledged by the Bank, Bank shall reverse the debit on account of stopped cheque/blocked Debit card with value-dated credit to protect the interest of the customer and also compensate the customer with Rs.100/-. Any consequential financial loss to the customer will be compensated to the extent of actual amount that the customer might have incurred, after ascertaining and being satisfied about the amount of such loss. Such debits will be reversed within 2 working days of the customer intimating the transaction to the Bank.

7.2 However, no compensation will be paid if cheque has been paid/ ATM Card transaction has occurred prior to acknowledgment of instructions for stop payment of cheque/ blocking of lost ATM Card.

8. Foreign Exchange Services

A. Foreign Cheques/Instrument Collection

8.1 The Bank has Policy on Collection of Cheques including Foreign Currency Denominated Instruments. Such instruments are accepted for collection on 'best effort' basis. Bank may enter into specific collection arrangement with its Correspondent Banks for speedy collection of such instruments. *Cheques/Instruments drawn in currencies in which Bank does not maintain any Nostro account or does not have collection arrangements with a Correspondent Bank will be handled through Direct Collection Arrangement. Under this, Cheques/Instruments are sent directly to the drawee Banks for collection. DCA facility for cheques collection is done for any amount.* The timelines for collection of such cheques are as follows:

Collection Method	Collection Timeframe
Cheques/Instruments sent under Direct Collection Arrangement (DCA).	Immediate credit to the customer's account after sighting the funds in Nostro account.

8.2 Bank takes adequate care for prompt and expeditious dispatch and realisation of all clean instruments. In view of different clearing rules and legal provisions prevailing in different countries with regard to the collection of clean instruments, it is difficult to ascertain the exact due date of payment towards the FC denominated Cheques/Instruments sent for collection. However, in case of delay in applying the credit after sighting the funds in the Bank's Nostro account after expiry of seven days, the depositor will be paid interest @ 2% over the rate applicable to the Savings Bank deposit for the delayed period. If the Cheque/Instrument amount is kept as Foreign Currency Deposit in the same currency, the deposit will be value dated as the date of the Nostro credit.

8.3 Compensation in case of an adverse movement of exchange rate arising due to delay in applying the credit after sighting the funds in the Bank's Nostro account shall be provided as "25% of the difference between TTB rates as per Card Rates of the Bank ruling on those dates (i.e. on the due date of payment and the date of conversion)".

B. Export Bills sent for collection

8.4 The proceeds of export collection bills are credited after sighting the foreign currency amount in the Nostro account of the bank provided the customer has complied with FEMA guidelines and Bank's requirements.

8.5 Compensation arising due to delay in applying the credit will be as below:

(i) Compensation for interest: Minimum interest rate applicable on export credit.

(ii) Compensation for adverse movement of exchange rate: 25% of the difference between TT rates as per Card Rates of the Bank ruling on those dates (i.e. on the due date of payment and the date of conversion).

C. Clean Inward Remittance

8.6 Bank shall pay or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of Nostro statement/credit advice.

8.7 The proceeds of inward remittance will be credited to the account provided the customer has complied with FEMA guidelines and Bank's requirements.

8.8 Compensation arising due to delay in applying the credit as per point no. 8.7 and 8.8 will be as below:

(i) Compensation for interest: 2% over the rate applicable to the Savings Bank deposit for the delayed period.

(ii) Compensation for adverse movement of exchange rate: 25% of the difference between TT rates as per Card Rates of the Bank ruling on those dates (i.e. on the due date of payment and the date of conversion).

9. Payment of Compensation on delayed collection of Outstation Cheque

9.1 Bank shall pay interest on the amount of collection instrument, in case there is delay in giving credit beyond the prescribed time period without any demand from the customer. The compensation on account of delays in collection of outstation instruments would be as indicated in the Bank's Cheque collection policy, which is reproduced below:

(a) Savings Bank rate for the period of delay beyond 7 days in collection of outstation cheques payable at CTS Centres and 10 days in non CTS Centres.

- (b) Where the delay is beyond 14 days interest will be paid at the rate applicable to term deposit for the respective period.
- (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 the proceeds of cheque under collection were 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, interest will be paid at the rate of 2% above the rate applicable to the loan account.

Bank shall make payment of the said compensation to the customers, in case of delay in realization of outstation Cheques, beyond the prescribed period, without any demand from the customer and through computer automated process. However, due to system limitations, compensation / interest would be paid to CC / OD / Loan accounts for delayed realization through manual intervention.

10. Delay in Clearance of Local Cheques

10.1 The compensation on account of delays in collection of Local Cheques would be as indicated in the Bank's Cheque Collection policy. Accordingly, for such delays the bank shall pay Saving Bank Rate for the period of delay beyond 3 working days . The interest shall be paid without any demand from customers.

11. Cheques / Instruments lost in transit / in clearing process or at paying Bank's branch

11.1 The Bank has defined the compensation payable in cases where the customer has tendered a cheque for collection. The details of the same is available in the Bank's Cheque Collection Policy, The same is extracted below for information.

11.2 When 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 shall immediately on coming to know of the loss, 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 dishonored due to non-credit of the amount of the lost cheques / instruments.

11.3 The Bank shall provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque, if required. In case of an international cheque being lost, the Bank shall also advise the correspondent/ drawee Bank all particulars of lost cheques/ instruments for exercising caution. The Bank shall arrange to get payment of the international instrument based on the photocopy/ scanned image of the instrument wherever the practice is prevalent.

11.4 For instruments which are lost by the Bank during clearing / transit, ie prior to receipt at the paying bank (other than received at CTS grid collection centres) the Bank will compensate the account holder as follows:

- a) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified in para 9.1 above.
- b) In addition, Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- c) Reasonable charges, incurred 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. The charges incurred for making stop payment of the lost cheque by the customer with the Paying Bank will also be compensated by the Bank.
- d) Bank shall bear all the cost for obtaining duplicate instrument when a cheque, which has been discounted, is lost. But the customer will assist the Bank in obtaining duplicate instrument. His/ her liability under Negotiable Instrument Act will not be extinguished till Bank receives the proceeds of Cheque.

12. Violation of the Code by Bank's agent

12.1 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 which the Bank has adopted voluntarily, Bank shall take appropriate steps to investigate and redress the complaint and endeavour 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, necessary steps will be taken, if required as per Bank's decision, to prevent recurrence of similar complaints.

13. Issue of Duplicate Draft and compensation for delays

13.1 Duplicate draft will be issued within fortnight from the receipt of request complete with all documentation to that effect from the purchaser of the Draft. For delay beyond the above stipulated period, interest at the rate applicable for fixed deposit of corresponding period will be paid as compensation to the customer for such delay.

14. Payment of “at par Cheques” issued by Other Banks

14.1 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 has expressed concern over the lack of transparency in the arrangement for payment of "at par" instruments of co-operative Banks by commercial Banks resulting in dishonour of such instruments when the remitter has already paid for the instruments. In this connection it is clarified that the Bank will not honour cheques drawn on current accounts maintained by co-operative Banks with it unless arrangements are made for funding cheques issued. RBI instructions 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/delayed payment of cheques in the absence of adequate funding arrangement.

15. Return of Documents of Title

15.1 All movable/immovable property documents, lodged as security for the loan availed, shall be returned to customer within a period of 30 days after full repayment/settlement of loan account of all dues by the customer, including principal amount, interest, EMI, costs, service charges, expenses etc. This is subject to there being no outstanding under any other loan / overdraft / other financial facility availed by the customer from the Bank /any Branch of the Bank. 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. In case where the delay is attributable to the Bank, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.

15.2 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 15.1 above. However, in such cases, an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days) as per RBI Notification RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated Sept 13, 2023 on 'Responsible Lending Conduct – Release of Movable/immovable property Documents on Repayment/Settlement of Personal Loans'.

15.3 The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

15.4 These guidelines shall be applicable to all cases where release of original movable /immovable property documents falls due on or after December 1, 2023.

16. Compensation to customers for delayed updation/ rectification of credit information

16.1 Complainants 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 complainant with the Bank. The compensation shall be governed by Reserve Bank of India (RBI) circular no RBI/2023-24/72 DOR.FIN.REC.48/20.16.003/2023-24 dated October 26, 2023 and shall be effective from April 26, 2024.

17. Compensation for failed transactions using authorized Payment Systems

Sl.no	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable for delay
1. Automated Teller Machines (ATMs) including Micro-ATMs			
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	Rs. 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2. Card Transaction			
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.	Rs.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.	Rs.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.		

Sl.no	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable for delay
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.	Rs.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.	Rs.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.	Rs.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.	Rs.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.	Rs.100/- per day if delay is beyond T + 1 day.
7. National Automated Clearing House (NACH)			
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	Rs.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	<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	Reversal effected in Remitter's account within T + 1 day.	Rs.100/- per day if delay is beyond T + 1 day.

Sl.no	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable for delay
	confirmation not received at merchant location.		

The following is the explanation to various terms used in the above clause:

S.No	Term	Meaning
01	Acquirer	An acquiring bank (sometimes referred to as “acquirer” or “credit card bank”) is an institution that has the Cards Schemes authorization to process a transaction so by signing a contract with the acquirer; a merchant can process credit and debit card transactions.
02	Beneficiary	Beneficiary – a person into whose account the amount specified in the Payment Order is transferred
03	Card Present	A card present transaction is one in which the customer physically interacts with payment machinery using his or her card. This can include swiping a card with a magnetic strip, inserting a card with an EMV chip or tapping a mobile device with the card loaded to a digital wallet
04	Card Not Present	A card-not-present (CNP) transaction occurs when neither the cardholder nor the credit card is physically present at the time of the transaction. It's most common for orders that happen remotely — over the phone or by fax, internet, or mail
05	Credit Push Transaction	A “credit push” (credit payment) type transaction involves the payer giving an instruction to pay directly to his own bank, which then forwards the payment instruction and the funds on to the receiving bank for payment into the receiving party's account.
06	Day R	R is the day on which the reversal is concluded and the funds are received by the issuer / originator.
07	Day T	T is the day of transaction and refers to the calendar date
08	Failed Transaction	A “ <i>failed transaction</i> ” 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 shall 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.
09	Issuer	The “issuer” is the bank or credit union that backs the card financially. It is also referred to as the “issuing bank” or the “credit card company.”
10	Off Us Transaction	A transaction carried at an ATM of the bank which is different from the card issuing bank or a transaction at a WLA is called an Off-Us transaction.
11	On Us Transaction	A transaction carried out at an ATM of the card issuing bank is called as On-Us transaction
12	Remitter	The definition of a remitter is a person who sends a payment

17.1 If the transaction is a 'credit-push' funds transfer and the beneficiary account is not credited while the debit to originator has been effected, then credit is to be effected within the prescribed time period failing which the penalty shall be paid to the beneficiary.

17.2 If there is delay in initiation of a transaction at the bank's end beyond the TAT, then penalty shall to be paid to the originator.

17.3 Domestic transactions i.e., those where both the originator and beneficiary are within India only are covered under this framework.

17.4 Financial compensation shall be effected to the customer's account *suo moto*, without waiting for a complaint or claim from the customer.

17.5 In case of dispute in regard to delayed credit to the customer's account from Bunch Note Acceptor (BNA) or Cash Recycler Machine (CDM), the Bank will pay the interest at the applicable rate of the customer's deposit/overdraft/loan account for the delayed period, after due verification. However, in case of any dispute related to genuineness of the currency deposited in the BNA/CRM, it will not be covered under Bank's customer compensation policy.

18. Compensation in case of frauds (other than Digital Channels)

18.1 The following is laid down for all the fraud cases other than those pertaining to Digital Channels Frauds. Typically, these frauds are of the following types:

- Lottery
- Job Rackets
- Transfer of Funds towards emails received.

(a) If a fraud, in the account of a customer, has been committed by a member of staff, and has been so established, the Bank will not only restore the amount, it will also pay compensation @ 1% above the applicable interest rate in respect of deposit/overdraft/loan account, for the period, on the amount involved.

(b) In case where Bank is at fault, the Banks shall compensate customers without demur.

(c) 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 & to deal with the customers fairly, will also compensate the customer with Rs.100/- per Rs.5000/- (maximum Rs.1000/-) for each instance.

19. Compensation for delay in Pension payment

19.1 Bank shall compensate the pensioners for the delayed period beyond the due date at 8% per annum penal interest as per the instructions of RBI. Further the compensation shall be credited to the pensioners account automatically without any claim from the pensioner on the same day when the Bank affords credit for revised pension/arrears, in respect of all delayed pension payments made since October 1, 2008.

20. Compensation for delay in NPS & APY accounts

20.1 Compensation to be paid in case of non-adherence of timelines for processing of Customer requests shall be governed by extant guidelines of Pension Fund Regulatory and Development Authority (PFRDA).

21. Issue of Debit/Credit Cards without consent of customers:

21.1 Where the Bank had issued an ATM / Debit card /Credit card without 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 cancelled. The Bank would reverse the charges, if levied.

21.2 Where it is established that the Bank had issued and activated a credit card without consent of the customer, the Bank would not only reverse the charges immediately but also pay a penalty without demur to the customer amounting to twice the value of charges reversed.

21.3 Transactions reported as erroneous by customers in respect of credit card operations, which require specific reference to a merchant establishment will be handled as per chargeback rules laid down by payment & financial services providers such as VISA / Master card international/Rupay. The bank will provide explanation and, if necessary documentary evidence to the customer within a maximum period of sixty days.

22. Unauthorized Electronic Banking Transactions reported by Customers

This Policy is not applicable for unauthorized electronic Banking transactions reported by customers. For all such transactions, compensation will be as per Bank's Unauthorized Electronic Banking Transactions (UEBT) Policy, which is available on the bank's website.

23. Other areas of deficiencies in services

23.1 Where loan has been allowed against NSCs, KVPs, LIC policy and the Branch, after maturity of the instruments, does not collect the proceeds of the instruments in

question from the concerned Post Offices/ LIC Offices, thereby charging interest in the loan account is continued, excess interest so charged in the loan account will be reversed to the customer immediately.

23.2 In case of effecting reversal of excess interest charged in the borrowal accounts due to non-adjustment of liquid securities like Fixed Deposits/ NSC/KVP/ LIC policy etc in time, the concerned Branch will have to obtain prior permission /approval from the controlling Regional Offices.

23.3 Bank is a corporate Agent and distributor of Insurance and Mutual Fund products respectively. For any deficiencies in services bank will assist customers to raise their grievances with the tie-up partners.

24. Timeline for payment of compensation

24.1 The amount of compensation for deficiencies in various categories of Banking Services as mentioned in this Policy should be paid to the customers within 15 (fifteen) days after the deficiency is acknowledged.

25. Responsibility of Customers

25.1 Customer shall be responsible for safe keeping of Cheque book, Passbook, Cards, PIN, passwords or other security information.

25.2 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 Don'ts issued by Bank, until the Bank has been notified by the customer.

25.3 RBI has allowed member Banks to make Positive Pay details mandatory if cheque value is Rs.5,00,000/- and above (Please refer to the RBI Circular No. RBI/2020-1/41/DPSS.CO.RPPD.No.309/04.07.2005/2020-21 dated September 25th, 2020). However, Bank has decided to implement this clause w.e.f. 01.04.2024 post which customer must mandatorily submit Positive Pay details if cheque value is Rs.5,00,000/- & above. In the absence of Positive Pay details for cheque with value Rs.5,00,000/- & above (i.e., due to non-submission of details by the customer), the cheque will be returned to the presenting Bank when the cheque is presented through CTS clearing.

26. Disclaimer Clause

26.1 Bank shall not pay any compensation in the following cases:-

- i. Opportunity Loss, Loss of reputation or loss of profit.

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

27. Force Majeure

27.1 The Bank shall not be liable to compensate customers due to 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) systems, absence of the usual means of communication or all types of transportation, etc. beyond the control of the Bank, prevents the Bank from performing its obligations within the specified service delivery parameters.

28. Periodicity of Review of Policy

28.1 The Bank reserves the right to amend/modify this Bank's Customer Compensation Policy, as and when deemed fit and proper, at its sole discretion. However, the Bank shall endeavor to review the Policy annually.
