

यूको बैंक

(भारत सरकार का उपक्रम)



UCO BANK

(A Govt. of India Undertaking)

सम्मान आपके विश्वास का

Honours Your Trust

**Customer Protection and Compensation cum
Customer Relation Policy FY 2024-26**



**यूको बैंक ,परिचालन एवं सेवा विभाग ,प्रधान कार्यालय
UCO Bank, Operations & Services Department, Head Office**

(I) Customer Protection Policy FY 2024-26

Customer protection is an integral aspect of financial inclusion. The following comprehensive Customer Protection Policy based on domestic experience and global best practices is brought out to enhance such protection.

The Customer Protection Policy enshrines basic rights of the customers of the banks regulated by the Reserve Bank of India. It spells out the rights of the customer and the responsibilities of the bank. The Policy applies to all products and services offered by the bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method.

1. Right to Fair Treatment

Both the customer and the financial services provider have a right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.

In pursuance of the above Right-

1. We shall promote good and fair banking practices by setting minimum standards in all dealings with the customers.
2. We shall promote a fair and equitable relationship between the bank and the customer.
3. We shall train bank staff attending to the customers, adequately and appropriately.
4. We shall ensure that staff members attend to customers and their business promptly and courteously.
5. We shall treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status, physical ability, etc. We may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. We may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes /

products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by bank wherever required.

6. We shall ensure that the above principle is applied while offering all products and services.
7. We shall ensure that the products and services offered are in accordance with relevant laws and regulations.

While it shall be our endeavour to provide our customers with hassle free and fair treatment, we would expect customers to behave courteously and honestly in their dealings with the bank.

It shall also be our endeavour to encourage customers to approach the bank's internal grievance redressal machinery and approach alternate fora after exhausting all their remedies under bank's internal grievance mechanism.

2. Right to Transparency, Fair and Honest Dealing

The financial services provider should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and financial service provider, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, we shall –

1. Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the bank;
2. Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;
3. Provide customers with clear information about its products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product;

4. Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;
5. Make known the key risks associated with the product as well as any features that may especially disadvantage the customer. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that such terms will not inhibit a customer's future choice.
6. Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through helplines or help-desk and where appropriate the customer will be informed directly.
7. Display the tariff Schedule on our website and a copy of it will be made available at every branch for customer's perusal. Also, will display in its branches a notice about the availability of the Tariff Schedule at the branch.
8. Give details Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer.
9. Inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS or email as agreed by the customer at least one month prior to the revised terms and conditions becoming effective.
10. Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without giving such notice which is favourable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice;
11. Provide information about the penalties leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer.
12. Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession.

13. Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly.
14. Ensure to communicate to the applicant within a reasonable time as decided by the bank about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in writing the reasons for not accepting / declining the application. Such period will be notified in the bank's website and in the application of the particular product or service.
15. Communicate unambiguously the information about –
 1. Discontinuation of product.
 2. Relocation of their offices.
 3. Changes in working hours.
 4. Change in telephone numbers.
 5. Closure of any office or branch - with advance notice of at least 30 days. Also affirms that disclosure of information is an on-going process through the lifecycle of the product / relationship and will be diligently followed by us. Ensure to use all possible channels of communication, including website, to ensure that information on all changes are made known to the customer upfront.
16. Advise the customer at the time of selling the product of the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter.
17. The bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision.
18. Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer.
19. Assist the customer in all available ways for managing his/her account, financial relationship by providing regular inputs in the bank's realms such as account statements/passbooks, alerts, timely information about the product's performance, term deposits maturity etc.

20. Ensure that all marketing and promotional material is clear and not misleading.
21. Not threaten the customer with physical harm, exert influence or engage in behaviour that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
22. Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer.

3. Right to Suitability

The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

In pursuance of the above Right, we shall -

1. Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale.
2. Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in the it's records.
3. Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products.
4. Not compel a customer to subscribe to any third-party products as a quid-pro-quo for any service availed from the bank.
5. Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations.
6. Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.

4. Right to Privacy

Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is

required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

In pursuance of the above Right, we shall -

1. Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries/associates, tie-up institutions etc. for any purpose unless:
 - (i) The customer has authorized such disclosure explicitly in writing.
 - (ii) Disclosure is compelled by law / regulation.
 - (iii) We have a duty to the public to disclose i.e., in public interest.
 - (iv) We have to protect its interests through disclosure.
 - (v) It is for a regulatorily mandated business purpose such as disclosure of default to credit information companies or debt collection agencies.
2. Ensure such likely mandated disclosures be communicated immediately to the customer in writing.
3. Not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it.
4. Adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

5. Right to Grievance Redress and Compensation

The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate redressal of grievances stemming from its sale of third-party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, we shall -

1. Deal sympathetically and expeditiously with all things that go wrong.

2. Correct mistakes promptly.
3. Cancel any charge that has been applied wrongly and by mistake.
4. Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses.

We shall -

1. Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer.
2. Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract.
3. Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer.
4. Make grievance redressal mechanism easily accessible to customers.
5. Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome.
6. Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer. The time limit for resolution of complaints will be clearly displayed / accessible at all service delivery locations.
7. Inform the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time.
8. Place in public domain information about Banking Ombudsman Scheme.
9. Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.

Further, we shall –

1. Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official

responsible for grievance redressal). The 30-day period will be reckoned after all the necessary information sought from the customer is received.

2. Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process.

In addition, we shall

a) Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, the bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc).

b) Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest/charges)

6. Review of Policy

Review of the policy will be undertaken once in 2 years.

7. Amendment/Modification of Policy

This policy will remain in force till the policy is amended by the Board.

Bank reserves the right to amend/modify this policy as and when deemed fit and proper at its sole discretion.

MD & CEO and in his absence Executive Director is authorized to approve modifications pertaining to operational issues and to issue clarification on all operational matters relating to this policy. Regulatory charges as per RBI/IBA will form part of the policy.

A: Compensation Policy

I. Introduction:

Technological progress in payment and settlement systems and the qualitative changes in operational systems and processes that have been undertaken by various players in the market have enabled banks, financial institutions and other market forces of competition to come into play to improve efficiencies in providing better service to their customers and other users of the system. It will be the bank's endeavour to offer services to its customers with best possible utilization of its technology infrastructure. This compensation policy of the bank is therefore, designed to cover areas relating to frauds, unauthorized debiting of account, 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, etc. The policy is based on principles of transparency and fairness in the treatment of customers.

II. Objective:

The objective of this policy is to establish a system whereby the bank compensates the customer for any financial loss he/she might incur due to deficiency in service on the part of the bank or any act of omission or commission directly attributable to the bank. By ensuring that the customer is compensated without having to ask for it at the very initial stage to leverage their genuine financial problems, the bank expects instances of the customer's approach to Banking Ombudsman or any other Forum for redressal to come down significantly.

III. Framework:

The policy covers compensation for financial losses only 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.

The policy covers the following areas: -

1. Unauthorized/Erroneous Debit

If the Branch has raised an unauthorized/erroneous direct debit to an account, the entry will be reversed immediately on being informed of the erroneous debit, after verifying the facts. In the event the unauthorized/erroneous debit has resulted in a direct financial loss for the customer by way of (i) reduction in the

minimum balance applicable for payment of interest on savings bank deposit or (ii) payment of additional interest to the bank in a loan account, the bank will compensate the customer for such loss. Further, if the customer has suffered any direct 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 direct financial losses after taking into consideration all relevant factors. However, financial loss mentioned hereinabove will not cover any loss incurred by the customer due to loss of reputation or loss of profit.

In case verification of the entry reported to be 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. In case, the verification involves a third party or where verifications are to be done at overseas centers, 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. In order to comply the directions of the RBI and with a view to redressing the grievances of the customers in this regard, the Bank will act as under

(i) In cases where bank is at fault, the bank should compensate customers without demur, and will not defer action till completion of departmental action or police examination / investigation, receipt of insurance claim, reimbursement from other institution/Banks.

2. Delay in ECS Debit Instructions

The bank will undertake to carry out direct debit/ECS debit instructions of customers in time. In the event of noncompliance /delayed compliance of instructions by the Bank, the customer will be compensated equivalent to the interest calculated on the amount to be debited, for the delayed period, at applicable Saving Bank rate, minimum Rs.20/- subject to a maximum of Rs.1000/-

The bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the bank from time to time displayed on Bank's website www.ucobank.com , which will be a notice to the public at large. 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 agreed terms and conditions and compensate the customer with a sum equal to the charges levied.

3. Payment of Cheques after Stop Payment Instructions

In case a cheque has been paid after stop payment instruction is acknowledged by the Bank, the amount of the cheque will be credited by the bank along with value dated effect. Bank will compensate the financial loss, to the extent of actual amount that the customer might incur, after ascertaining and being

satisfied about the amount of such loss. However financial loss mentioned herein above will not cover any loss incurred by the customer due to reputation or loss of profit. Such debits will be reversed within 2 working days of the customer intimating the transaction to the bank.

4. Foreign Exchange Services

The Bank would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the bank would not be able to ensure timely credit from overseas banks. It is the bank's experience that time for collection of instruments drawn on banks in foreign countries differ from country to country and even within a country, from place to place. The time norms for return of instruments cleared provisionally also vary from country to country. Bank however, would consider upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past. However, the bank will compensate the customer for undue delays in affording credit once proceeds are credited to the Nostro Account of the bank with its correspondent. Such compensation will be given for delays beyond one week from the date of credit to Nostro Account/due date after taking into account normal cooling period stipulated. The compensation in such cases will be worked out as follows :

- Interest for the delay in crediting proceeds as indicated in the collection policy of the bank.
- Compensation for any possible loss on account of adverse movement in foreign exchange rate.

5. Remittances in India

- If a customer wants to remit money within India, bank will disclose the details of all charges including commission that a customer has to pay for the services as per the Tariff Schedule as amended from time to time.

6. Payment of Interest for delayed Collection of Outstation Cheques

The compensation on account of delays in collection of instruments would be as indicated in the bank's collection policy. The Bank will

- Inform the customers about the clearing cycle for local instruments and the outstation instruments including details such as when the customer can withdraw money after lodging collection instruments and when the customer will be entitled to earn delayed interest as per our Cheque Collection Policy.
- Provide details, if bank offers immediate credit for outstation cheques, including the applicable terms and conditions, such as the limits up to which the instruments tendered by the customers can be credited, operating accounts satisfactorily, etc.

- Proceed as per our cheque collection policy and provide all assistance to obtain a duplicate cheque/ instrument in case the tendered instrument is lost in transit.
- The above information will be given at the time of opening of the account and whenever asked for. If there is any change in the policy, the revised policy will be displayed on our website and will be available at all our branches.

6.1. Time frame for collection of local/ outstation instruments

For Local Cheques/Instruments: Credit and Debit shall be given on the same day or at the most the next day of their presentation in clearing. (i.e., bank would give credit to the customer account on the day clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house at the centre).

For Outstation Cheques/Instruments:

Drawn on State Capitals	07 days
Drawn on Major Cities	10 days
Drawn on Other Locations	14 days

The time frame for collection shall be treated as outer limit and credit shall be afforded if the process gets completed earlier.

As part of the compensation policy of the bank, the branch will pay interest to its customer on the amount of instruments collected in case there is delay in giving credit beyond the time period mentioned above. 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.

6.2. Interest for delayed collection

- For Local Cheques: Compensation at Savings Bank interest rate shall be payable for the period of delay.
- For Outstation Cheques: Savings Bank rate for the period of delay beyond 07/10/14 days as the case may be in collection of outstation cheques, i.e., from 08th/11th/15th day, the interest will be payable.
- Where the delay is beyond 14 days after the time frame for collection of outstation instruments (07/10/14 days as the case may be in collection of outstation cheques) interest will be paid at the rate applicable for term deposit for the respective period.
- In case of extraordinary delay, i.e. delays exceeding 90 days after the time

frame (07/10/14 days as the case may be in collection of outstation cheques) for collection of outstation instruments interest will be paid at the rate of 2% above the corresponding Term Deposit rate.

- In the event the proceeds of cheque under collection is to be credited to an overdraft/loan account of the customer, the bank would consider value-dating the proceeds keeping normal period required for collection in mind. It may be noted that interest payment as given above would be applicable only for instruments sent for collection "within India".

The bank's compensation policy for financial loss suffered by the customers due to loss of instrument after it has been handed over to the bank for collection by the customer would be as indicated in our Bank's Cheque Collection Policy.

7. Cheques/Instruments lost in transit/in clearing process or at paying bank's branch

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 shall 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. The bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

The bank will compensate the account holder in respect of instruments lost in transit in the following way:

- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (07/10/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- 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.

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.

8. Violation of the Code by Banks Agent

In the event of receipt of any complaint from the customer that the bank's representative/courier or Direct sales agent (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 endeavour to communicate the findings to the customer within 7 working days from the date of receipt of complaints and whenever justified and to compensate the customer for financial losses, if any.

9. Transaction of "at par instruments" of Co-operative Banks

The branches will not honour such cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding such 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. Therefore, once arrangement made is in public domain (Bank's website) the paying bank should honour the cheque and settle the matter separately with the issuing bank.

10. Issue of Duplicate Draft and Compensation for Delay

Duplicate draft will be issued on receipt of such request from the purchaser thereof. For delay beyond 15 days, interest at the rate applicable for Fixed Deposit of corresponding period will be paid as compensation to the customer for such delay.

11. Lenders Liability, Commitment to borrowers

The Bank has adopted the principles of lenders' liability. In terms of the 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 mortgaged property within 15 days of repayment of all dues agreed to or contracted. The Bank will compensate the borrower for monetary loss suffered, if any due to delay in return of the same. In the event of loss of title deeds to mortgaged property at the hands of the Bank, the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lump sum amount subject to a maximum of Rs. 5000/- only. However, in case of Personal Loans as defined in Annex to the RBI Circular No. RBI/2017-18/117 DBR.No.BP.BC.99/08.13.100/2017-18 dated January 04, 2018 and RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated September 13, 2023, the Clauses as mentioned in Point No. 12 of this Policy shall be applicable w.e.f. December 1, 2023.

12. Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

RBI has issued directions for "Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans" vide its Circular No. RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated September 13, 2023.

12.1. Applicability

- The Directions shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.
- The Directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA and 45L of the Reserve Bank of India Act, 1934, and section 30A of the National Housing Bank Act, 1987.

12.2. Compensation for delay in release of Movable / Immovable Property Documents

- 12.2.1. 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 Rs.5,000/- for each day of delay.
- 12.2.2. 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 12.2.1 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).
- 12.2.3. 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.

13. **Harmonisation of Turn Around time (TAT) and customer compensation for failed transactions using authorised payment system**

Reserve bank of India has introduced Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment system to be implemented. The Frame work on Turn Around Time for resolution of customer complaints and compensation is as under,

Sl. No	Description of the incident	Frame work for auto reversal and compensation	
		Timeline for auto reversal	Compensation payable
I	II	III	IV
1.	Automated Teller machine (ATMs) including Micro-ATMs		
a.	Customer account debited but cash not dispensed	Pro-active reversal 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 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	Auto reversal within T+5 days	Rs. 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 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 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	Acquirer to initiate Credit Adjustment within	Rs. 100/- per day if delay is beyond T+5 days

		T+5 days	
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 or reversal of amount	Beneficiary bank to reverse the uncredited 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	Rs.100/- per day if delay is beyond 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	Rs.100/- per day if delay is beyond T+1 day.

General instruction covering TAT:

1. The principle behind the TAT is based on the following

(i) 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 has to be paid to the beneficiary.

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

Terms like Acquirer, Beneficiary, Issuer, Remitter, etc have meaning as per common banking parlance. T is the day of transaction and refers to the calendar date.

iii) R is the day on which the reversal is concluded and the funds are received by the issuer /originator. Reversal should be effected at the issuer / originator end on the same day when the funds are received from the beneficiary end.

14. Delay in credit of Electronic Clearing Service (ECS).

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 day.

In the event of non-compliance by the Destination Bank branch, it would be held liable to pay penal interest at the rate of prevailing RBI's Bank Rate plus two percent from the due date of credit till the date of actual credit to the beneficiary's account

15. Delay in Credit/ return of NEFT/NECS/ECS Transactions.

Bank will pay penal interest at the current RBI LAF Repo Rate plus two percent from the due date of credit till the actual credit for any delayed credit to the beneficiaries' account. Penal interest shall be paid to the beneficiary's account even if no claim is lodged.

16. Issue of ATM/Debit Cards without written consent of customers:

Where the Bank had issued 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 maximum Rs.50/- if cancellation is done within 7 days of the representation or else maximum Rs.100/- for cancellation done after 7 days.

17. Other areas of deficiency in services

(a) Where loan has been allowed against Bank's own Fixed Deposit Receipt and the Branch, after maturity of the FD does not adjust the loan account and thereby interest is charged on the loan outstanding, excess interest so charged in the loan account will be refunded to the customer.

(b) Where the Branch after adjustment of the loan account does not remit/ credit the remaining amount of the pledged FD to the customer's account but keeps the balance in Deposit Suspense Account, the Bank will compensate the customer by the interest on such deposit kept in suspense at Saving Bank rate, if the customer has not been duly informed.

(c) 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 Post Offices/ LIC Offices concerned & thereby charging of interest in the loan account is continued, excess interest so charged in the loan account will be reversed to the customer, for such delayed period after deducting actual time (days) taken for collection (i.e. deposit and realisation) of NSCs, KVPs, LIC policy's value by the Post office/LIC.

18. Lockers

The relationship with customer with regard to locker is that of Lessee/ Licensee and Lessor/ Licensor. In general, lessee/licensee is sole responsible for his or her valuables kept in the locker which is owned by the bank.

The Bank will take all possible steps for the safety and security of the premises in which the safe deposit vaults are housed. Bank will ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the its premises. However, in extreme case, when bank is found negligent to curb incidents mentioned above or attributable to fraud committed by its employee(s), the bank's maximum liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

19. Wealth Management Product

Bank is a Corporate Agent and distributor of Insurance and Mutual Fund products respectively. For any deficiencies in services branches will assist customers to raise their grievances with the tie-up partners. For any deficiencies in services at branch level raised by customer, the issue will be examined by the bank and if the lapse on the part of the bank is confirmed (mis-selling) customer will be compensated suitably, based on the facts and circumstances of the case.

20. Bank Customer's Gold Jewellery that is pledged with the bank in its premises against Gold Loan to customer.

Customer's Gold Jewellery that is pledged with the bank in its premises against Gold Loan to customer to be compensated in case of theft, robbery, dacoity etc. Amount of compensation due to loss or damage to Gold Jewellery pledged with the bank against Gold Loan kept within its premises will be ascertained on the basis of closing rate of gold prevailed with Indian Bullion and Jewelers' Association carat wise (available in their web site) on preceding date of settlement of compensation claim to the borrower(s). Further 10% making charges will also be added based on the said value of Gold. And waiver of interest in the gold loan accounts from the date of incidence i.e. the date of robbery, theft, dacoity etc. will be allowed.

21. Pension Payment to Central/State Government Pension

Bank shall compensate, in case of delay on part of the Bank for payment of regular pension / revised pension/ arrears thereof in respect of Central / State Government pension payments to the pensioner for the delayed period beyond due date at a fixed rate of 8% penal that the compensation shall be credited to the pensioner's account automatically on the same day when the bank affords delayed credit of the regular pension / arrears etc. as stated above, without any claim from the pensioner.

22. Compensation to Retail Individual Investors (RII) in case of delay on the part of the Bank to upload Application Supported by Blocked Amount (ASBA/IPO) and in the process may have suffered an opportunity loss

22.1. While the process of Applications Supported by Block Amount (ASBA) has resulted in almost complete elimination of complaints pertaining to refunds, there have been instances where the applicants in an Initial Public Offering have failed to get allotment of specified securities and in the process may have suffered an opportunity loss due to the following factors:

- a) Failure on part of the Self Certified Syndicate Banks (SCSBs) to make bids in the concerned Exchange system even after the amount has been blocked in the investors' bank account with such SCSB.
- b) Failure on part of the SCSB to process the ASBA applications even when they have been submitted within time.
- c) Any other failures on part of an SCSB which has resulted in the rejection of the application form.

22.2. A need has been felt to have a uniform policy for calculation of minimum compensation payable to investors in scenarios mentioned in Para 21.1. a), b) and c). While doing so, the following factors have been taken into account:

- a) The opportunity loss suffered by the investor due to non-allotment of shares;
- b) The number of times the issue was oversubscribed in the relevant category;
- c) The probability of allotment; and d) the listing gains if any on the day of listing

22.3. The proposed formula for calculation of minimum fair compensation is as follows:

$$\text{Compensation} = (\text{Listing price}^* - \text{Issue Price}) \times \text{No. of shares that would have been allotted if bid was successful} \times \text{Probability of allotment of shares determined on the basis of allotment}$$

**Listing price shall be taken as the highest of the opening prices on the day of listing across the recognized stock Exchanges.*

- 22.4. It is also proposed that in case of issues which are subscribed between 90-100%, i.e. non oversubscribed issues, the applicants would be compensated for all the shares which they would have been allotted.
- 22.5. No compensation would be payable to the applicant in case the listing price is below the issue price.
- 22.6. Registrar to an Issue and Shares Transfer Agents (RTAs) shall share the basis of allotment file, if sought by SCSBs, so that the SCSBs shall have access to the allotment ratio for the purpose of arriving at the compensation.
- 22.7. Any applicant whose application has not been considered for allotment, due to failure on the part of the SCSB, shall have the option to seek redressal of the same within three months of the listing date with the concerned SCSB. On receipt of such application/s, the SCSB would be required to resolve the same within 15 days, failing which it would have to pay interest at the rate of 15% per annum for any delay beyond the said period of 15 days.

23. Failure to execute Standing Instructions

In case of any failure to execute Standing Instructions (and if it is directly attributable to the Bank), the Bank shall compensate the customer to the extent of the financial loss not exceeding Rs.100/- per occasion subject to providing proper supporting documents for having incurred the loss. In addition, service charges, if any, recovered for execution of the Standing Instruction shall also be refunded.

24. Framework for compensation to customers for delayed updation/ rectification of credit information

Reserve Bank of India has issued framework for "Framework for compensation to customers for delayed updation/ rectification of credit information" vide its Circular No. RBI/2023-24/72 DoR.FIN.REC.48/20.16.003/2023-24 dated October 26, 2023. The compensation framework shall come into effect six (6) months from the date of this circular. The RBI has directed the Credit Institutions Banks and Credit Information Companies (CICs) to implement the compensation framework for delayed updation/rectification of credit information by Bank and CICs as detailed below:

- a. 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 a Bank/CIC.

- b. A Bank shall pay compensation to the complainant if the Bank has failed to send updated credit information to the CICs by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC.
- c. A CIC shall pay compensation to the complainant if the CIC has failed to resolve the complaint within thirty (30) calendar days of being informed by the complainant or a Bank, despite the Bank having furnished the updated credit information to the CIC within twenty-one (21) calendar days of being informed by the complainant or the CIC.
- d. The complainant shall be advised by the Bank /CIC of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by Bank and CIC.
- e. Compensation to be provided by the CICs/Banks to the complainant (for delayed resolution beyond thirty (30) calendar days of filing the complaint) shall be apportioned among the Banks / CICs concerned proportionately.
- f. Where the grievance/ complaint involves inaccurate credit information provided by more than one CI/Bank, the complaint shall be registered by the complainant with the concerned CIC. The CIC shall coordinate with all the CIs/Banks concerned and furnish the complainant with a comprehensive resolution of the grievance.
- g. Where the complaint has been received and registered by a CIC and there has been a delay in the resolution of the complaint, the CIC shall inform the concerned Bank(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC.
- h. Where the complaint has been received and registered by a Bank and there has been a delay in the resolution of the complaint, the Bank shall inform the concerned CIC(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC(s).
- i. 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 to the postal address or email ID provided by the complainant.
- j. The CICs / Banks shall make appropriate provision in their complaint submission format (both online and offline) for enabling the complainant to submit the contact details, email ID, and bank account details/ Unified Payment Interface (UPI) ID for crediting the compensation amount. The onus of providing accurate details will lie with the complainant and the Banks/CICs will not be held responsible for any incorrect information provided by the complainant.
- k. The compensation amount shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.

- l. The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by Banks or CICs.
- m. In case of wrongful denial of compensation by Banks which are yet to be covered under the Reserve Bank - Integrated Ombudsman Scheme, 2021, the complainant can approach Consumer Education and Protection Cell (CEPC) functioning from Regional Offices (ROs) of Reserve Bank of India.

25. Compensation decided by Banking Ombudsman/Internal Ombudsman (IO) /Court /Consumer Forum:

There is increase in number of complaints lodged with Banking Ombudsman and Consumer Forum, Bank has been ordered to pay compensation to complainants. With a view to settle compensation without delay and as per the Compensation Policy, Bank will pay compensation as decided by the Banking Ombudsman (BO)/ Internal Ombudsman (IO)/ Court/ Consumer Forum Order/Judgment, as per the Discretionary Powers for Compensation.

Note: - Before final approval by Competent Authority, cases related to Ombudsman Complaint to be placed before GM-OSD & Transaction Monitoring Vertical for clearance.

26. Timeline for payment of compensation:

The amount of compensation for deficiencies in various categories of Banking Services as mentioned in this Policy will be paid to the customers within 30 (thirty) days after the deficiency is acknowledged.

27. Discretionary Power for Compensation & Appeals is given in Annexure-I.

B: Customer Relations Policy: -

1. Limiting Liability of customers in Unauthorised Electronic Banking Transactions

1.1. With the increased thrust on Financial Inclusion and customer protection and considering the recent surge in Customer Grievances relating to unauthorized transactions resulting in details in debits to their accounts/cards, the criteria for determining the customer liability in these circumstances, the revised direction in this regard are set out below:

1.2. Strengthening of Systems and Procedures:

Broadly the electronic banking transactions can be divided into two categories:

- (i) Remote/Online payment transactions (Transactions that do not require Physical payment instruments to be presented at the point of transactions e.g., Internet banking, card not present (CNP transactions), Pre-paid payment instruments (PPI), and

- (ii) Face-to face/ Proximity payment transactions (transactions which require the physical payment instrument such as a card or mobile phone to be present at the point of transaction e.g. ATM, POS etc.)

1.3. Reporting of unauthorized transactions by customers to Banks

Customers should mandatorily register their mobile number for SMS alerts and wherever available register for e-mail alerts, for electronic banking transactions.

The SMS alerts shall be sent to the customers invariably, while email alerts may be sent, wherever registered. The customers are advised to notify their base/ home branch of any unauthorized electronic banking transaction at the earliest after the occurrence of such transactions. The longer the time taken to notify the base branch, the higher will be risk of loss to the bank/customer. Branches shall not offer facility of electronic transactions, other than ATM cash withdrawals, to customers who do not provide mobile numbers to the branch and/or customers who refuse to avail SMS facility.

1.4. Limited Liability of a customer

(a) Zero Liability of a customer

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

1. Contributory fraud/ negligence /deficiency on the part of the bank/ branch.
2. Third party breach where the deficiency lies neither with the bank/branch 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 unauthorized transaction.

(b) Limited Liability of a Customer

1.5. 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 of a customer, such as where he/she has shared the payment credentials, the customer will bear the entire loss until he/she reports the unauthorized transaction to the bank/ base branch. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank/base branch.

- (ii) In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank/ Branch 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 / base branch) on the part of the customer in notifying the bank/branch of such a transaction, the per transaction liability 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 1.5(ii)

Type of account	Maximum Liability (Amount in Rs)	Maximum Liability
	Up to 7 days	Above 7 days
<ul style="list-style-type: none"> • BSBD Account 	5,000/-	Full liability of the customer
<ul style="list-style-type: none"> • All other SB accounts • Pre-paid payment instruments and Gift Cards • Current/Cash Credit/Overdraft Accounts of MSMEs • 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 	10,000/-	
<ul style="list-style-type: none"> • All other Current / Cash Credit / Overdraft accounts 	25,000/-	

1.6. Overall liability of the customer in third party breaches, as detailed in paragraph 1.4. a (2) and paragraph 1.5(ii) above, where the deficiency lies neither with the branch nor with the customer but lies elsewhere in the system, is summarized in the Table 2:

Table 2
Summary of Customer's Liability

Time taken to report the fraudulent transaction from the date of receiving the communication	Customer's liability (in Rs)
Within 3 working days	Zero Liability
Within 4 to 7 working days	The transaction value or the amount – mentioned in Table 1, whichever is lower.
Beyond 7 working days	Full liability of the customer.

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

1.7. Reversal Timeline for Zero Liability/Limited Liability of customer:

On being notified by the customer, the branch shall credit (Shadow reversal) the amount involved in the unauthorized 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). Shadow reversal means entry to be passed from value date and shadow balance will be cleared after completing compensation process/decision, and after getting written permission from respective Zonal Head.

2. Force Majeure

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

3. Amendment of the modification of Policy:

This policy will remain in force till fresh policy is approved by the Board.

Bank reserves the right to amend/ modify this policy as and when deemed fit and proper, at its sole discretion.

Note: - MD & CEO/Executive Director is authorized to issue clarifications on all operational matters relating to this Policy. Regulatory changes as per RBI will form part of the Policy.

The Board of Directors in its meeting dated 19.10.2023 has directed that subsequent guidelines of RBI, if any, as and when it comes, be made part of the policy automatically, without waiting for the approval of the Board.

4. Review of Policy:

Review of the policy will be undertaken once in Two Years.

COMPLAINT SUBMISSION FORM

A. FAILED TRANSACTION GRIEVANCE:-

Complaint Category	Tick (√)
ATM	
ATM-OTHERS	
INTERNET BANKING	
MOBILE BANKING	
POS	
MOBILE WALLET	
PAYMENT GATEWAY	
UPI	
AEPS	

B. GENERAL GRIEVANCE:-

Complaint Category	Tick (√)
LOANS AND ADVANCES/CIBIL/CRIF	
LEVY OF CHARGES WITHOUT NOTICE/EXCESSIVE CHARGES/ FORECLOSURE CHARGES	
OTHERS	

DETAILS OF TRANSACTION/GRIEVANCE/EVENT:

(Fields marked with * are mandatory and other fields are as applicable)

1	Name of the customer and address*	
2	Bank Name*: Branch*: IFSC Code*:	
3	Type of Account*: Bank Account Number*:	
4	Contact Details*	
5	Email-ID	
6	Unified Payment Interface (UPI) ID	
7	ATM Card Number/ Card Type	
8	KYC copy enclosed	<input type="checkbox"/> Voter Card <input type="checkbox"/> PAN Card <input type="checkbox"/> UID (Aadhaar Card) <input type="checkbox"/> Others (any document notified by the Central Government)
9	Date of receiving the communication of transaction	

10	Date of transaction	
11	Date of Detection of transaction/ event & How it was detected	
12	If delay in detection of transaction /event, the reasons thereof	
13	Lodged FIR - YES / NO •Date of FIR lodged •Case number of FIR •FIR lodged under which IPC code [FIR copy to be enclosed]	
14	Name of the Police Station	
15	FIR Lodged against	
16	FIR lodged by whom	
17	Filed a complaint with Cyber Cell - YES / NO If yes, copy of Acknowledgement from Cyber Cell to be enclosed	
18	Total amount involved	Rs.
19	Actual Claim Amount	Rs.
20	History of the case: (Giving full particulars of the events)* -	

Signature of Complainant
Date and Time

Signature of Bank Officials
Emp. No., Date and Time