1. **Introduction**

Technological progress in payment and settlement systems and the qualitative changes in operational systems and procedures that have been undertaken by various players in the market have enabled market forces of competition to come into play to improve efficiencies in providing better service to the users of the system. It will be the bank's endeavor to offer services to its customers with best possible utilization of its technology infrastructure.

Withdrawal of the Reserve Bank of India instructions to banks on time frame for collection of outstation cheques, payment of interest on delayed collection of outstation cheques/instruments, with effect from 1st November 2004, had offered bank further opportunities to increase its efficiency for better performance.

This Compensation policy of the bank is therefore, designed to cover areas relating to 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.

2. **Objective of Policy:**

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, the bank expects instances when the customer has to approach Banking Ombudsman or any other Forum for redressal to come down significantly.

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.

3. **Definition of Deficiency and Service:**

Deficiency: Sec. 2(1) (g) of the Consumer Protection Act, 1986, defines the term Deficiency as any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service.

Service: Sec.2(1)(o) of the Consumer Protection Act, 1986, defines that Service means service of any description which is made available to potential users and includes facilities in connection with banking, financing but does not include the rendering of any service free of charge or under a contract of personal service.

4. **Unauthorized / Erroneous Debit:**

   a. **If the bank 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 position.

b. In the event the unauthorized/erroneous debit has resulted in a financial loss for the customer by way of reduction in the minimum balance applicable for payment of interest on savings bank deposit or payment of additional interest to the bank in a loan account, the bank will compensate the customer for such loss.

c. 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. However, customer will not b entitled to claim any compensation for loss of reputation or loss of profit.

d. **In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank will endeavor 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.

e. Unauthorized Erroneous transaction reported by customers (card holder) in respect of debit / credit card operations, which require reference to a merchant establishment will be handled as per rules laid down by card association / card service providers. The Card association referred in the document is the payment facilitating associations such as VISA, Master, Rupay Card, Amex etc., to which financial institutions offering credit card and Debit Card services have become members. The Bank is having licensed arrangements with Card Services with VISA International, RUPAY Card and Master Card.

f. Further, this provision, would not apply to recovery of legitimate bank charges by debit to the account, which is as per terms and conditions accepted by the customer and done only after the laid down process has been followed by the Bank. In case of non-availability of physical copy of charges/fees at the branch, it can be and customer's concern can be immediately resolved. Banks website www.iob.bank.in.in have updated data on Banks policies, products, services, customer rights, compensation, grievance redressal etc., which can be used for the benefit of customers and stakeholders.

g. **In case of erroneous debits arising out of Fraudulent or other transactions:**

a. The Bank would compensate the customer forthwith without demur, where the bank is at fault.

b. Even when the Bank or the customer is not at fault, and the fault lies elsewhere in the system, then also bank would compensate the customer as per bank's policy on Customer Protection - Limiting Liability of Customers in Unauthorized Electronic Banking Transactions / RBI extant guidelines.

Clarification on Unauthorized debit/erroneous debit and compensation:

- **To compensate the customers for their claim on Unauthorized Electronic transactions, "Policy on customer Protection-Limited Liability of the customers in Unauthorized Electronic Banking Transactions" is in place.**
- The genuineness of unauthorized debit/erroneous debit shall be verified and confirmed by the Regional Office concerned before making any compensation within the stipulated time as specified in the above para 1 d. of the policy.

- The compensation means making good of the financial loss by way of interest or otherwise sustained by the customer on account of Unauthorized/erroneous debits. Such compensation does not include the actual amount of unauthorized/erroneous debit which will be reversed/re-credited on merits of the case.

5. <u>ECS direct debits/other debits to accounts</u>

a. The bank will undertake to carry out direct debit/ ECS debit instructions of customers in time. 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 instruction/failure to carry out the instructions.

b. The bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the bank. In the event the bank levies any charge in violation of the arrangement, the bank will reverse the charges when pointed out by the customer subject to scrutiny of agreed terms and conditions. Any consequential financial loss to the customer will also be compensated.

c. Where it is established that the bank had issued and activated a credit card without consent of the recipient, the bank would not only reverse the charges immediately but also pay a penalty without demur to the recipient amounting to twice the value of charges reversed as per regulatory guidelines in this regard. 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 RuPay /VISA International. The bank will provide explanations and, if necessary, documentary evidence to the customer within a maximum period of 60 days

6. <u>Payment of Cheques after Stop Payment Instructions:</u>

In case a cheque has been paid after stop payment instruction is acknowledged by the bank, the bank shall reverse the transaction and give value-dated credit to protect the interest of the customer. Any consequential financial loss to the customer will be compensated as provided under para 1 above. Such debits will be reversed within 2 working days of the customer intimating the transaction to the bank.

7. Failure of ATM Transactions:

It is mandatory for the Bank to reimburse the customer, the amount wrongly debited on account of failed ATM within a maximum period of 5 working days from the receipt of the complaint. Proactive credit is being given to customers for failed transactions within 5 calendar days, through credit/debit adjustment process. Beyond T+5, compensation of Rs.100/- is being effected to the credit of the account holder. TAT as per latest RBI Circular DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019 for Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems is as under:

Harmonization of Turnaround Time (TAT) and customer compensation for failed transactions using authorized Payment System.

Sl. No.	**Description of the incident**	**Framework for auto-reversal and compensation**	
		Timeline for auto-reversal	**Compensation payable**
I	**II**	**III**	**IV**
1	**Automated Teller Machines (ATMs) including Micro-ATMs**		
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2	**Card Transaction**		
a	Card to card transfer Card account debited but the beneficiary card account not credited.	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	Point of Sale (PoS) (Card Present) including Cash at PoS Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
c	Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system.		
3	**Immediate Payment System (IMPS)**		
a	Account debited but the beneficiary account is not credited.	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
4	**Unified Payments Interface (UPI)**		
a	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit the beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
5	**Aadhaar Enabled Payment System (including Aadhaar Pay)**		
a	Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
b	Account debited but beneficiary account not credited.		

6	Aadhaar Payment Bridge System (APBS)		
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7	**National Automated Clearing House (NACH)**		
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited despite revocation of debit mandate with the bank by the customer.	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day.	
8	**Prepaid Payment Instruments (PPIs) – Cards / Wallets**		
a	**Off-Us transaction** The transaction will ride on UPI, card network, IMPS, etc., as the case may be. The TAT and compensation rule of respective system shall apply.		
b	**On-Us transaction** Beneficiary's PPI not credited.	Reversal effected in Remitter's account within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
	PPI debited but transaction confirmation not received at merchant location.		

7.1 General Instructions covering the Turn Around Time (TAT):

i) The principle behind the TAT is based on the following:

a) If the transaction is a credit- 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;

b) If there is delay in initiation of a transaction at the originator banks end beyond the TAT, then penalty has to be paid to the originator.

ii) A Failed Transaction is a transaction which has not been fully completed due to any reason not attributable to the customer such as failure in communication links, nonavailability 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.

Terms	Definition
T	It is the day of transaction and refers to the calendar date.
R	It 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.
B	The term bank includes non-banks also and applies to them wherever they are authorized to operate.
Domestic transactions	Domestic transactions i.e., those where both the Originator and Beneficiary are within India are covered under this framework.
Chargeback claim	In respect of 'charge back' made by the customer (card holder) due to usage of cards at ATMs Network of our Bank /NFS Network /Other Networks / any other arrangement existing and that made in future, process of verification shall be undertaken as per the arrangement amongst the member banks to settle the claims.

8. Foreign Exchange Services

8.1 Compensation for delayed payment in Foreign Exchange Transactions:

a) As per FEDAI Circular No.SPL-05.BC/FEDAI Rules/2019 dated 11th March, 2019 (updated up to 15 November 2020), Authorised Dealers (ADs) shall pay or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of credit advice / Nostro statement. On receipt of disposal instruction complying with guidelines, required documents immediately but not exceeding 2 working days from date of such receipt. In case of delay, the bank shall pay the beneficiary interest @ 2% over its savings bank interest rate. The bank shall also pay compensation for adverse movement of exchange rate, if any, as per its compensation policy specifying the reference rate and date applicable for calculating such exchange loss. In case, the beneficiary does not respond within 5 working days from receipt of credit intimation as above and the bank does not return the remittance to the remitting bank, the bank shall initiate action to crystallize the remittance.

b) Bank notify due action to the remitting bank and the beneficiary.

c) Bank shall crystallize the remittance within certain period as per their policy, not exceeding the time allowed for surrendering of foreign currency under any Statute or any other Regulation including RBI Directions.

8.2. Collection of cheques drawn on Foreign countries

It is the Bank's experience that time for collection of instruments drawn on banks in foreign countries differs 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.

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 bank. Compensation in such cases will be paid in Indian Rupee, as detailed below:

I. The cooling period will be 21 calendar days from the date of Nostro credit.
II. The Bank will pay interest at SB rate from the date of credit to Nostro account till the date of credit to the beneficiary's account if the credit is made on the 22nd day.
III. If the delay is more than 22 days, the interest will be paid at 2% above SB interest Rate for the delayed period.
IV. The exchange rate prevalent on the date of conversion will apply. No separate compensation will be paid for the volatility in the exchange rate.

8.3 Payment of foreign inward remittances:

All remittances meant for individuals are to be converted at the prevailing card rates and credited to their respective account within 7 days from the date of credit in our Nostro account, if the beneficiary's account particulars are available correctly. In case of delay, compensation would be payable as follows:

I. In case there is an adverse movement of exchange rate between the actual date of credit to customer's account and the date on which the Forex amount is due for credit, then the amount of compensation would be determined as 50% of the rate difference.
II. Customers will be compensated by way of interest for the delayed credits beyond 7 days at 2% above SB interest Rate.

8.4 Export Bills sent for collection:

I. On receipt of credit advice/statement of Nostro account and compliances of guidelines, requirements of the Bank and FEMA, Bank shall transfer funds for the credit of exporter's account within two working days.

II. If the above stipulated time limit is not observed, Bank shall pay compensation for the delayed period at the minimum interest rate charged on export credit.

8.5 Compensation for adverse movement in exchange rates:

The following compensation are prescribed for adverse movement in exchange rates due to delay in payment assuming that the customer has complied with FEMA guidelines and Bank's requirement (i.e., the delay is on the part of the Bank).

8.6 Payment of foreign inward remittances:

All remittances meant for individuals are to be converted at the prevailing card rates and credited to their respective account within 7 days from the date of credit in our Nostro account, if the beneficiary's account particulars are available correctly. In case of delay, compensation would be payable as follows:

I. If the remittance is not converted within 7 days from the date of credit in our Nostro account even after availability of the beneficiary's account particulars.

II. In case there is an adverse movement of exchange rate between the actual date of credit to customer's account and the date on which the Forex amount is due for credit, then the amount of compensation would be determined as 50% of the rate difference.

8.7 Payment to Exporter:

In case of delay beyond the date when the Forex amount is due for credit, compensation would be payable as follows:

I. In case there is an adverse movement of exchange rate between the actual date of credit to customer's account and the date on which the Forex amount is due for credit, then the amount of compensation would be determined as 50% of the rate difference.

III. If the Exporter expresses his willingness to keep part of the proceeds in EEFC a/c, then no compensation is payable for the amount not converted/kept in EEFC a/c. For the converted part of the amount, the compensation would have paid for delay as mentioned above.

9. Remittances in India:

The compensation on account of delays in collection of instruments would be as indicated in bank's collection policy which is reproduced below:

9.1 Payment of Interest for delayed Collection of Local & Outstation Cheques:

As part of the compensation policy of the bank, the bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period specified in banks cheque collection policy. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection. Interest for delayed collection shall be paid at the following rates:

i. Savings Bank rate for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques.

ii. Where the delay is beyond 14 days' interest will be paid at the rate applicable for term deposit for the corresponding respective period or Saving Bank rate, whichever is higher.

iii. 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.

iv. In the event the proceeds of cheque under collection was 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.

It may be noted that interest payment as given above would be applicable only for instruments sent for collection within India.

9.2 <u>Cheque/Instruments lost in transit/in clearing process or at paying bank's branch:</u>

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 is also to be as indicated in our Policy on Collection of Cheques. The same is furnished below for information.

I. In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the bank 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 dishonored due to non-credit of the amount of the lost cheques / instruments.

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

III. In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.

IV. 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.

V. 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.

<u>10. Issue of Duplicate Draft and Compensation for delays</u>

10.1 Duplicate draft will be issued within a fortnight from the receipt of such request from the purchaser thereof provided all the required documentation as per Bank's procedure in vogue is completed and submitted by customer.

10.2 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.

10.3 It is clarified that the above instructions would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of draft endorsed to third parties.

11. 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 DSA (Direct Selling Agent) 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, the bank is committed to investigate the matter and endeavor to communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, compensate the customer for financial loss, if any, as contemplated under this policy.

12. Transaction of "at par instruments" of Co-operative Banks by Commercial Banks:

The 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 dishonor of such instruments when the remitter has already paid for the instruments. In this connection it is clarified that the bank will not honor 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.

13.Compensation Payments for Digital Transactions on account of Deficiency of Services/Erroneous debits/Delayed dispute transaction:

To compensate the customers for their claim on Unauthorized Electronic transactions, "Policy on customer Protection-Limited Liability of the customers in Unauthorized Electronic Banking Transactions" is in bank. However, any compensation payments related to digital products which are out of the purview of unauthorized transactions have to be dealt in this compensation Policy.

In the event of any deficiency of services like account debited but cash not dispensed (or) account debited but beneficiary account not credited (or) delayed credit to beneficiary account (or) delayed reversal of failed transaction (or) non-delivery of goods/services etc. are to be governed by the NPCI and regulatory guidelines from time to time with regard to each digital product. The Turn Around Time (TAT) prescribed by NPCI/RBI/other card associations will be applicable to digital products, as various cooling periods applicable for different stages of dispute management. The penalty/compensation for such delayed or erroneous debits in the digital products will be compensated as per the guidelines of NPCI/RBI from time to time.

14. Compensation decided by Banking Ombudsman/ Internal Ombudsman (IO):

Nowadays in certain cases referred to Banking Ombudsman and Consumer Forum, banks have 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/Internal Ombudsman (IO)/Banking Ombudsman (BO)/Consumer Forum Cases, as per the delegation/ limit mentioned below:

Discretionary Administrative powers:

A	Regional Heads	Senior Regional Manager – Up to Rs.3,00,000/- Chief Regional Manager – Up to Rs.5,00,000/- General Manager – Up to Rs.8,00,000/- Chief General Manager – Up to Rs.10,00,000/-
B	HOD/GM – CO (Concerned Verticals)	Up to Rs.10,00,000/-
C	Executive Director	Up to Rs.15,00,000/-
D	MD & CEO	Up to Rs.25,00,000/-
E	Board	Above Rs. 25,00,000/-

Advisories by Banking Ombudsman: The payment in case of Advisories Issued by the Banking Ombudsman if accepted has to be made immediately by obtaining sanction from the respective Delegated Authority and if the same is not accepted, submission to be made to Banking Ombudsman

Awards by Banking Ombudsman: The Advisories if not paid within the stipulated time period, then, it becomes award. Banking Ombudsman may issue award against the bank, which reflects in the Bank's Balance Sheet, hence, utmost care needs to be taken to meet the advisory well in time.

15. National Automated Clearing House (NACH)

In the case of delay in crediting beneficiary's account or reversal of amount beneficiary bank to reverse the uncredited transaction within T + 1 calendar day.

In the case of account debited despite revocation of debit mandate with the bank by the customer. Resolution to be completed within T + 1 calendar day. The compensation payable in the above-mentioned cases are Rs. 100/- per day of delay beyond T+1 calendar day.

16. Lenders liability; Commitment to borrowers:

Compensation for delay in release of Movable/Immovable Property Documents

As per Reserve Bank of India direction vide their circular No. DoR.MCS.REC.38/01.01.001/2023-24 dated 13.09.2023 –

a) 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 RE shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the RE, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
b) In case of loss/damage to original movable / immovable property documents, either in part or in full, the REs shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to the compensation. However, in such cases, an additional time of 30 days will be available to the REs to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

c) 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.

There will be no compensation paid to the Borrower(s) / Guarantor(s) in following circumstances:

16.1 Force Majeure events.

16.2 If there is delay on part of the Borrower(s) / Guarantor(s). For e.g: if any of the Borrower(s) / Guarantor(s) is not available or does not have required Identity Proof/or other required documents to prove that he/she is the same person.

16.3 If the Borrower(s) / Guarantor(s) have changed their residential / mailing address / phone numbers and have not intimated the bank and bank is not able to contact them for collection of original title documents. (Intimation by way of phone, letter or email to any one of the Borrower(s) / Guarantor(s) will be deemed intimation to all Borrower(s) / Guarantor(s).)

16.4 In case the Bank receives any complaint/claim/demand from the Borrowers/Guarantors, Legal Heirs, Executors, Successors, Joint Owners/Holders, etc. intimating the Bank about inter se disputes and/or not to hand over the title documents or hand over the same to particular persons, etc., then bank shall direct the parties to resolve their disputes and thereafter approach the Bank with a joint application signed by all concerned for release of such title documents or obtain necessary direction from Competent Authority/Court for a particular/specific course of action. Till such time and in such/similar circumstances, the Bank shall not liable to release the title documents to the Borrowers/Guarantors (as the case may be) and shall not be liable to pay any compensation to any party.

17. Compensation for delay in updation /rectification of credit Information:

RBI vide its circular Ref.No.RBI/2023-24/72 DoR.FIN.REC.48/20.16.003/2023-24 dated 26.10.2023 has directed for implementing the compensation framework to the customers for delayed updation /rectification of credit information by Credit Institutions (Cis) and CICs by which the Complainants shall be entitled to a compensation of Rs.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 CI/CIC.

18. <u>Compensation Payment for delay in Crediting Pension/Arrears:</u>

For complaints from pensioners alleging inordinate delay in disbursing revised pension and arrears, RBI Master Circular Ref: RBI/2025-26/05 CO.DGBA.GBD.No.S1/31.02.007/2025-26 – Disbursement of Government Pension by Agency Banks dated April 01, 2025 advised the Pension paying banks to compensate the pensioner for delay in crediting pension/ arrears thereof at a fixed interest rate of 8 per cent per annum for the delay after the due date of payment and the compensation shall be credited to the pensioner's account automatically without any claim from the pensioner on the same day when the bank affords credit for revised pension/ pension arrears, in respect of all delayed pension payments made since October 1, 2008.

19. Compensation in Cases of Pledged Gold Jewellery & Ornaments:

As per Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 dated 06th June 2025 –

I. In case of any damage to the pledged eligible collateral by the lender during the tenor of loan, the cost of repair shall be borne by the lender.

   In the event of any damage to pledged jewellery while in the Bank's custody, the Bank shall bear the cost of damage. Whenever such an incident is noticed during release, audit, or through borrower complaint, the branch shall record the details with photographs and remarks jointly by the branch manager and appraiser. An empanelled appraiser, not involved in the original appraisal, shall estimate the cost of damage. The compensation shall be approved by Regional Office based on delegated powers and reimbursed to the borrower after obtaining borrower's consent. All supporting documents, reports, and approvals shall be maintained in the Register and reported periodically to the controlling office. Branches shall ensure preventive measures such as photographs at pledge and release, CCTV coverage, and safe handling of ornaments to avoid such incidents.

II. In case of loss of the pledged eligible collateral and/ or any loss emanating from deterioration or discrepancy in quantity or purity observed during internal audit or otherwise including at the time of return or auction of collateral, lenders shall suitably compensate the borrower(s)/ legal heir(s).

   If any pledged gold kept in the Bank's custody is lost or found damaged, or if any difference in weight or purity is noticed during release, audit, or auction, the branch should immediately inform the Regional Office and Central Office with a detailed report. Regional Office may verify the reasons for loss of the pledged jewels in custody, if it is emanating due to theft or burglary, Branch may be advised to lodge claim for insurance as per SOP issued by Banking

Operations Dept. If the damage, deterioration or any discrepancy happens during internal audit, inspections, Regional Office may engage an empaneled appraiser and check the facts and find out the reason for the loss or damage. The amount to be paid to the borrower or legal heir will be worked out based on the current market value of the gold (as per IBJA rate) for the same purity and weight. The approval for payment will be given as per powers vested. The compensation will be paid to the borrower's account or to the legal heir after proper verification. All such cases must be recorded on a register and reported to the regional office. Branches should also take care to prevent such incidents by ensuring proper handling storage, CCTV monitoring, and careful handling of ornaments. The process for making reimbursement or compensation as per the policy shall also be communicated to the borrower(s)/ legal heir(s).

III. In case of delay in release of the pledged collateral after full repayment or settlement of loan by the borrower, where reasons for delay are attributable to the lender, the lender shall compensate the borrower(s)/ legal heir(s) at the rate of ₹5,000 for each day of delay beyond the timeline prescribed i.e. on the same day but in any case, not exceeding a maximum period of seven working days upon full repayment or settlement of the loan. If the delay is not attributable to the lender, it shall communicate reasons for such delay to the borrower(s)/ legal heir(s). Further, where the borrower(s)/ legal heir(s) has not approached the lender for release of pledged eligible collateral after full repayment or settlement of loan, the lender shall issue periodic reminders to borrower(s)/ legal heir(s) through letters, email or SMS if the email and mobile number are registered with the lender.

If any pledged gold kept in the Bank's custody is lost or found damaged, or if any difference in weight or purity is noticed during release, audit, or auction, the branch should immediately inform the Regional Office and Central Office with a detailed report. Regional Office may verify the reasons for loss of the pledged jewels in custody, if it is emanating due to theft or burglary, Branch may be advised to lodge claim for insurance as per SOP issued by Banking Operations Dept. If the damage, deterioration or any discrepancy happens during internal audit, inspections, Regional Office may engage an empaneled appraiser and check the facts and find out the reason for the loss or damage. The amount to be paid to the borrower or legal heir will be worked out based on the current market value of the gold (as per IBJA rate) for the same purity and weight. The approval for payment will be given as per powers vested. The compensation will be paid to the borrower's account or to the legal heir after proper verification. All such cases must be recorded on a register and reported to the regional office. Branches should also take care to prevent such incidents by ensuring proper handling storage, CCTV monitoring, and careful handling of ornaments. The process for making reimbursement or compensation as per the policy shall also be communicated to the borrower(s)/ legal heir(s).

IV. 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.

V. Post pledging, cases involving loss of gold or silver collateral and any deterioration or discrepancy in quantity or purity observed during internal audit or otherwise including at the time of return or auction of collateral shall be recorded and communicated promptly to the borrower(s)/ legal heir(s). The process for making reimbursement or compensation as per the policy or SOP shall also be communicated to the borrower(s)/ legal heir(s).

20. Loss or damage to the contents of the Safe Deposit Locker

As per RBI/2021-2022/86 DOR.LEG.REC/40/09.07.005/2021-22 dated 18.08.2021 **-** It is the responsibility of banks to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. As banks cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable 14 to fraud committed by its employee(s), the banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker

21. Customer Protection Limiting Liability of Customers in Unauthorized Electronic Banking Transactions:

With the increased thrust on financial inclusion and customer protection and considering the recent surge in customer grievances relating to unauthorized transactions resulting in debits to their accounts/ cards, the criteria for determining the customer liability in these circumstances have been reviewed by RBI (vide RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18).

21.1 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, mobile 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.)

iii. Any other electronic modes of credit effected from one entity to another like UPI, IMPS & other currently used digital channels being used or adopted from time to time. The policy excludes electronic banking transactions effected on account of error by a customer (e.g. NEFT carried out to an incorrect payee or for an incorrect amount), transactions done under duress, claims due to opportunity loss, reputation loss, other incidental costs or collateral damage.

21.2 The systems and procedures in banks:

The systems and procedure in banks must be designed to make customers feel safe about carrying out electronic banking transactions. To achieve this, banks must put in place:

a) appropriate systems and procedures to ensure safety and security of electronic banking transactions carried out by customers

b) robust and dynamic fraud detection and prevention mechanism;

c) mechanism to assess the risks (for example, gaps in the bank's existing systems) resulting from unauthorized transactions and measure the liabilities arising out of such events;

d) appropriate measures to mitigate the risks and protect themselves against the liabilities arising therefrom; and

e) a system of continually and repeatedly advising customers on how to protect themselves from electronic banking and payments related fraud.

21.3 Terms & Explanations used in this policy:

a) Real loss is defined as financial outgo from customer's account e.g. debit to customer's account or card.

b) "Card Not Present (CNP) Transactions" are defined as transactions that require use of Card information without card being physically used e.g. e-commerce transactions.

c) "Card Present (CP) Transactions" are defined as transactions that require use of physical card e.g. at ATM or Shops (POS).

d) Payment transactions are defined as transactions that involve transfer of funds from one account/ wallet to another electronically and do not require card information e.g. NEFT.

e) "Unauthorized Transaction" is defined as debit to customer's account without customer's consent.

f) Consent includes authorization of a transaction debit either through standing instructions, as per accepted banking practice and regulation, based on account opening process and related matters or based on additional authentication required by the bank such as use of security passwords, input of dynamic password (OTP) or static VBV/ MCSC, challenge questions or use of Card details (CVV/ Expiry date) or in case of any other electronic authentication such as UPI/IMPSN Authorisation is required through MPIN and transaction PIN.

g) Date & time of reporting is defined as date & time on which customer has submitted a unique complaint. Date of receiving communication from the Bank, is excluded for purpose of computing number of working days for all action specified in this policy. The working schedule of the home branch would be considered for calculating working days for customer reporting. Time of reporting will be as per Indian Standard Time. h. Notification means an act of the customer reporting unauthorized electronic banking transaction to the bank.

h) UPI/IMPS requires MPIN and Transaction Pin Authorization respectively.

i) Number of days will be computed based on working days

j) Mode of reporting will be the channel through which customer complaint is received first time by the Bank, independent of multiple reporting of the same unauthorized transaction.

k) Loss in foreign currency if any shall be converted to Indian currency for the purpose of this policy as per bank's policies on conversion at card rate net of commission.

21.4 Coverage under this policy for Electronic Banking Transactions:

Customer shall be compensated in line with this policy in case of loss occurring due to unauthorized transaction as follows:

21.4.1 Zero Liability of a Customer: A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

a) Contributory Fraud/ Negligence/ Deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).

b) Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within 3 working days of receiving the communication from the bank regarding the unauthorized transaction.

21.4.2 Limited Liability of a Customer: A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

a) Customer shall bear the entire loss in cases where the loss is due to negligence by the customer, e.g. where the customer has shared payment credentials or Account/Transaction details, viz. Internet Banking user Id & PIN, Debit/Credit Card PIN/OTP or due to improper protection on customer devices like mobile / laptop/ desktop leading to malware / Trojan or Phishing / Vishing attack. This could also be due to SIM deactivation by the fraudster. Under such situations, the customer will bear the entire loss until the customer reports unauthorized transaction to the bank. Any loss occurring after reporting of unauthorized transaction shall be borne by the bank.

b) In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the bank) on the part of the customer in notifying the bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in below Table, whichever is lower.

Maximum Liability of a Customer in case of unauthorized Electronic Transaction where Responsibility is neither with the Bank nor with the customer but lies elsewhere in the system & customer has reported unauthorized transaction from the date of receiving the communication within working days as mentioned below		
Type of Account	Within 3 (Three) working days	Within 4 to 7 working days
BSBD Accounts	Zero Liability	5,000
All other SB accounts	Zero Liability	10,000
Pre-paid Payment Instruments and Gift Cards	Zero Liability	10,000
Current/ Cash Credit/ Overdraft Accounts of MSMEs	Zero Liability	10,000
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	Zero Liability	10,000
Credit cards with limit up to Rs.5 lakh	Zero Liability	10,000
All other Current/ Cash Credit/ Overdraft Account	Zero Liability	25,000
Credit cards with limit above Rs.5 lakh	Zero Liability	25,000

Any unauthorized electronic banking transaction reported after 7 working days from the date of receiving the communication will be treated as 100% customer liability.

21.4.3 Third Party Breach:

The following would be considered as Third-party breach where deficiency lies neither with the Bank nor customer but elsewhere in the system:

a) Application Frauds
b) Account Takeover
c) Skimming / Cloning
d) External Frauds / Compromise of other systems, for e.g. ATMs / mail servers etc. being compromised

Overall liability of the customer in third party breaches, where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarized as below:

Summary of Customer's Liability Time taken report the fraudulent transaction from the date receiving the communication	Customer's liability (₹)
Within 3 working days	Zero liability to customer
Within 4 to 7 working days	The transaction value or the amou mentioned in point No. 21.4.2 abov whichever is lower
Beyond 7 working days	100% customer liability.

The number of working days mentioned in the above table, shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

21.4.4 Reversal Timeline for Zero Liability/ Limited Liability of customer:

a) The Bank shall afford shadow credit to the customer account within 10 working days from the date of reporting in all cases as per above statements. Within 90 days of date of reporting, the Bank shall either establish customer negligence or provide final credit to customer. Customer will be given value dated credit (based on date of unauthorized transaction) when customer becomes eligible to be compensated. In case of Debit Card/ Bank Account, the customer shall not suffer loss of interest and in case of Credit Card; customer shall not bear any additional burden of interest for such credit.

b) The Bank, at its discretion and in circumstances so prevailing may, agree to credit the customer even in case of an established negligence by the customer.
c) Customer would not be entitled to compensation of loss if any, in case customer does not agree to get the card hot listed or does not cooperate with the Bank by providing necessary documents and evidences including but not limited to police complaint and cardholder dispute form.
d) Compensation would be limited to real loss after deduction of reversals or recoveries received by the customer.

22. Roles & Responsibilities of the Bank:

a) The Bank shall ensure that the Compensation Policy is available on the Bank's website as well as at Bank's branches for the reference by customers. The Bank shall also ensure that existing customers are individually informed about the bank's policy.
b) The Bank will regularly conduct awareness on carrying out safe electronic banking transactions to its customers and staff. Information of Safe Banking practices will be made available through campaigns on any or all of the following - website, emails, ATMs, Phone Banking, Net Banking, Mobile Banking. Such information will include rights and obligation of the customers as well as non-disclosure of sensitive information e.g. password, PIN, OTP, date of birth, MPIN (see out content in account statement over mail) etc.
c) The Bank should communicate to its customers to mandatorily register for SMS alerts. The Bank will send SMS alerts to all valid registered mobile numbers for all debit electronic banking transactions. The Bank may also send alert by email where email Id has been registered with the Bank.
d) The Bank will enable various modes for reporting of unauthorized transaction by customers. These may include SMS, Call Centre, Email, Website, Toll Free Number, IVR, Phone Banking or through its branches. The Bank will also enable specific space on its home page where customers can report unauthorized electronic banking transactions.
e) The Bank shall respond to customer's notification of unauthorized electronic banking transaction with acknowledgement specifying Complaint Number, date and time of transaction alert sent and date and time of receipt of customer's notification. On receipt of customer's notification, the Bank will take immediate steps to prevent further unauthorized electronic banking transactions in the account or card.
f) The Bank shall ensure that all such complaints are resolved and liability of customer if any, established within a maximum of 90 days from the date of receipt of complaint, failing which, bank would pay compensation as described in this policy.
   g) During investigation, in case it is detected that the customer has falsely claimed or disputed a valid transaction, the bank reserves its right to take due preventive action of the same including closing the account, blocking card limits or other course of actions, as per governing laws of land.
h) The Bank may restrict customer from conducting electronic banking transaction including ATM transaction in case of non-availability of customer's mobile number.
i) This policy should be read in conjunction with the latest Policies/Guidelines, Product & Services features, Terms and condition, notices, information etc. placed in website of the Bank. Clauses

from the Bank's Grievance Redressal Policy shall form a part of this policy where not specifically addressed in this policy.

22.1 Rights & Obligations of the Customer: Customer is entitled to –

a) SMS alerts on valid registered mobile number for all financial electronic debit transactions

b) Email alerts where valid email Id is registered for alerts with the Bank c. Register complaint through multiple modes – as specified in point relating to Bank's roles & responsibilities

c) Intimation at valid registered email/ mobile number with complaint number and date & time of complaint

d) Receive compensation in line with this policy document where applicable. This would include getting shadow credit within 10 working days from reporting date and final credit within 90 days of reporting date subject to customer fulfilling obligations detailed herein and with customer liability being limited as specified in the above Table at point No. 21.4.2, & 21.4.3 of this policy.

22.2 Customer is bound by following obligations with respect to banking activities:

Bank at a time and also from time to time inform/update the customers its various Initiative/ Products/Services/Charges and more particularly adopted by the Customers. Other key points are enumerated as under:

a) Customer shall mandatorily register valid mobile number with the Bank.

b) Customer shall regularly update his /her registered contact details as soon as such registered details goes to Trash/Spam of SMS/Email and are changed. It will be responsibility of the customer to view/update with such alerts. Bank will only reach out to customer at the last registered/known email/ mobile number. Any failure on the part of customer to update the Bank with changes shall be considered as customer negligence. Any unauthorized transaction arising out of this negligence/delay shall be treated as customer liability.

c) Customer should provide all necessary documentation – customer dispute form, proof of transaction success/ failure and should also file a police complaint and provide copy of the same to the Bank.

d) Customer should co-operate with the Bank's investigating authorities and provide all assistance.

e) Customer must not share sensitive information (such as Debit/Credit Card details & PIN, CVV, Net Banking Id & password, OTP, transaction PIN, MPIN in case of UPI transactions, challenge questions etc.) with any entity, including bank staff.

f) Customer must protect his/her device as per best practices specified on the Bank's website, including updation of latest antivirus software on the device (Device includes smart phone, feature phone, laptop, desktop and Tab) etc.

g) Customer shall abide by the tips and safeguards mentioned on the Bank's Website for alerts/updates on Secured Banking.

h) Customer shall go through various instructions and awareness communication sent by the bank on secured banking.

i) Customer must set transaction limits in various mode of Alternate Banking Channels to ensure minimized exposure to any such fraudulent attempts.

j) Customer must verify transaction details from time to time in his/her Bank Account Statement and/or Credit Card Statement and raise query with the bank as soon as possible in case of any mismatch/discrepancy/disagreement.

22.3 Notifying the Bank of the unauthorized transaction:

22.3.1 Customer shall report unauthorized transaction to the Bank at the earliest, with basic details such as Account No/Customer ID and/ or Card number, date & time of transaction and amount of transaction.

22.3.2 Customer shall follow bank's reporting process viz.

a. Notify/ report through SMS, email, website, toll free number, IVR, Phone Banking or through its branches. In case customer is unable to do so, customer could report through phone banking or at the nearest branch.

b. Lodge police complaint and maintain copy of the same and furnish police complaint when sought by bank's authorized personnel.

22.3.3 Customer shall authorize the bank to block the credit/ debit card/ net banking/ account(s) to reduce likelihood of additional loss.

22.3.4 Customer to clearly specify the facilities to be blocked failing which the Bank reserves the right to block all electronic transactions of the customer to protect the customer's interest. Also, revoking these blocks would require explicit consent from customer for each facility.

22.3.5 Customer shall share relevant documents as needed for investigation or insurance claim viz. cardholder dispute form, copy of passport in case of international transactions and police complaint.

22.3.6 Fully co-operate and comply with Bank's reasonable requirements towards investigation and provide details of transaction, customer presence, etc.

22.4 Burden of Proof of customer liability:

The burden of proving customer liability in case of unauthorized electronic banking transactions shall lie on the bank. The Bank has a process of second factor authentication for electronic transactions, as regulated by the Reserve Bank of India. Bank has onus to prove that all logs / proofs / reports for confirming two factor authentication is available. Any unauthorized electronic banking transaction which has been processed post second factor authentication known only to the customer would be considered as sufficient proof of customer's involvement / consent in effecting the transaction.

22.5 Reporting and Monitoring Requirements:

The banks shall put in place a suitable mechanism and structure for the reporting of the customer liability cases to the Board or one of its Committees.

The reporting shall, inter alia, include volume/number of cases and the aggregate value involved and distribution across various categories of cases viz., card present transactions, card not present transactions, internet banking, mobile banking, ATM transactions, etc.

The Standing Committee on Customer Service in the bank shall periodically review the unauthorized electronic banking transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redress mechanism and take appropriate measures to improve the systems and procedures. All such transactions shall be reviewed by the bank's internal auditors.

23. Wealth Management Products: Insurance/Investment Distribution related Customer Grievance:

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

For any deficiencies in services at the bank level raised by customers, the issue will be examined by the bank and if the lapse on the part of the bank is confirmed (mis-selling) the customer will be compensated, based on the facts and circumstances of the case.

24. <u>Insurance Cover for Digital Banking/Internet Banking Transactions:</u>

As per Banker's Indemnity Policy issued by Banking Operation Department Central Office, Bank has taken Insurance cover to cover the loss due to Fraudulent transactions in Digital Banking Transaction which includes Debit Cards transactions done through any debit card such as Visa, Master, Rupay card, Amex, Internet Banking, Mobile Banking, e wallet, Payment Gateway, UPI, AEPS, BHIM Aadhaar, BHIM UPI, Bharat QR, IMPS, RTGS/ NEFT, Prepaid Card, and Multi currency Travel Card.

25. Compensation payable to National Pension System (NPS) subscribers in case of default by PoP. (Point of Presence):

PFRDA vide their circular No. PFRDA/2023/21/SUP-POP/04 dated 30th June 2023 issued a circular on compensation payable to NPS subscribers in case of default by PoP and the details as below:

Service Standards for PoP-NPS and PoP-NPS-Online

Types of Activities	**Service Requirements**	**Turn Around Time**	**Compensation payable to subscribers in case of default**
I	**II**	**III**	**IV**
1. On-boarding of subscribers under NPS			
a. Subscriber registration	i.PoP shall address the queries of potential subscribers regarding NPS. ii.PoP shall collect complete SRF along with non-cash instruments for initial contribution as prescribed therein, as applicable. (***Definition***: *Complete SRF means Subscriber Registration Form along with necessary documents as prescribed therein)* iii.PoP shall carry out customer due diligence procedures in adherence to Prevention of Money Laundering Act, 2002 through effective use of Know Your Customer Verification Processes and comply with all guidelines/ circulars/ directions issued by the Authority from time to time.	**<u>Category i:</u>** Processing of registration through online mode by both PoP and PoP-SPs/service provider branches/offices. Maximum T+1 day, where T is the date of receipt of complete SRF at PoP. **<u>Category ii:</u>** Processing of registration through offline mode by PoPSPs/service provider branches/offices and online mode by PoP. Maximum T+7 days, where T is the date of receipt of complete SRF at PoP-SPs/service provider branches/offices. **<u>Category iii:</u>** Processing of registration through offline mode by utilizing CRA/CRA-FC by both PoP-SPs/service	For each delayed transaction, PoP shall pay: Repo rate + 2 % p.a. of initial contribution amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN).

		iv.In case of any discrepancy found during the collection and verification of SRF along with supporting documents, PoP/PoPSP/PoP-SE shall: a. Inform the applicant. b. Coordinate with the applicant to get further requirements / new application form filled, if required. c. Refund the contribution amount including processing fees and taxes deducted/collected upfront by maintaining proper audit trail. v.PoP shall provide acknowledgement slip / receipt for collection of SRF and initial contribution with unique number at time of registration along with receipt date and stamp/signature. vi.PoP shall process subscriber registration at CRA portal (if applicable). vii.PoP shall forward complete SRF (including KYC documents) to central recordkeeping agency (CRA) or its representative and/or shall be guided by directions issued by the Authority from time to time in respect of handling of SRFs. PoPs shall maintain complete SRF (including KYC documents) or copy of the same in digital/physical mode.	provider branches/offices and PoP. Maximum T+10 days, where T is the date of receipt of complete SRF at PoPSPs/service provider branches/offices.	

2. Contribution Processing				
a. Collection of Contribution	**i) Initial contribution** PoP shall ensure collection of contributions at the time of registration. Post receipt of activation status of PRAN from CRA, PoP shall put non-cash instruments for clearance.	Maximum T+1 day, where T is the date of receipt of activation status of PRAN from CRA. *(Note: In cases where PoP engages PGSPs, PoP to collect the subscriber's contribution in maximum T+1 day, where T is the date of contribution made by subscriber).*	For each delayed transaction, PoP shall pay: Repo rate + 2 % p.a. of contribution amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN)
	ii) Subsequent contribution i.PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature.	i. On T Day, where T is the date of receipt of non-cash instruments / receipt of contributions through online mode	
	ii.Post verification of PRAN, PoP shall put non-cash instruments for clearance.	ii. Maximum T+1 day, where T is the date of receipt of non-cash instruments. *(Note: In cases where PoP engages PGSPs, PoP to collect the subscriber's contribution in maximum T+1 day, where T is the date of contribution made by subscriber).*	
b. Processing of Contribution	i. PoPs, which are banks, shall credit the clear funds into the NPS collection account, if the same has been realized into account other than NPS collection account. ii. PoP shall prepare and upload SCF into CRA system. iii. PoP shall remit the funds to Trustee Bank post successful upload of SCF at CRA portal.	Maximum T+1 day, where T is the date of receipt of clear funds by PoP. In case of processing of contributions received from corporates tagged to PoP, maximum T+1, where T is the date of receipt of funds along with subscribers' details from the corporate, subject to the condition *that PoP shall return the funds to the tagged corporate on T+2 on non-receipt of subscriber details, where T is the date of receipt of clear funds by PoP/PoP-SP.*	For each delayed transaction, PoP shall pay: Repo rate + 2 % p.a. of contribution amount for the period of delay or Rs. 20/- whichever is higher*. (This amount should be credited to the subscriber's PRAN) **Compensation shall be paid for each underlying subscriber.*

3. Processing of Service request(s)			
a. Scheme Preference change	i.PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii.PoP shall upload and process the service request(s) as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.	**Category i:** Receipt of change request directly by PoP Maximum T+1 day, where T is the date of receipt of complete change request at PoP **Category ii:** Receipt of change request by PoP through PoP-SPs/service provider branches/offices. Maximum T+7 days, where T is the date of receipt of complete change request at PoP-SPs/service provider branches/ offices.	i) For each delayed transaction including delay due to wrong/incorrect processing, PoP shall pay: Repo rate + 2 % p.a. of the transacted amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN) ii) In case of loss to subscriber is more than the compensation applicable, then PoP shall make the loss good.
b. Other service request(s) i.e. Change in subscriber's details, shifting of subscriber, change of PoP, inter-sector shifting, etc.	i.PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii.PoP shall upload and process the service request(s) as per the SOP (Standard Operating Procedure) provided by CRAs on their portal.	**Category i:** Receipt of change request directly by PoP Maximum T+1 day, where T is the date of receipt of complete change request at PoP **Category ii:** Receipt of change request by PoP through PoP-SPs/service provider branches/offices. Maximum T+7 days, where T is the date of receipt of complete change request at PoPSPs/service provider branches/ offices.	For each delayed transaction including delay due to wrong/in-correct processing, PoP shall pay: Rs. 10/- per day subject to maximum Rs. 100. (This amount should be credited to the subscriber's PRAN)

4. Grievance Management and Exit processing			
a. Grievances received from NPS subscribers/ prospects	i.PoP shall resolve the grievances received in CGMS in accordance to relevant Regulations. ii. In case PoP receives the grievance directly from subscribers (modes other than CGMS), it shall ensure to upload the same into CGMS and maintain records of such grievances and resolve the same.	As per the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof.	As per the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof
b. Processing of exit and withdrawal requests	i.PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii.PoP shall collect the exit request along with requisite documents and perform necessary due diligence in accordance with Regulations / Guidelines / Circulars / Directions / Instructions issued by the Authority from time to time. iii.PoP shall upload and process the exit and withdrawal requests as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.	**Category i:** Receipt of exit request directly by PoP (through CRA portal) Maximum T+1 day, where T is the receipt of such request at PoP along with complete set of supporting documents as prescribed therein. **Category ii** Receipt of exit request by PoP through PoP-SPs/service provider branches/offices Maximum T+7 days, where T is the date of receipt of such request at PoP-SPs/service provider branches/offices along with complete set of supporting documents as prescribed therein.	i) For each delayed transaction including delay due to wrong/incorrect processing, PoP shall pay: Repo rate + 2 % p.a. of the transacted amount for the period of delay or Rs. 20/- whichever is higher. ii) In case of loss to subscriber is more than the compensation applicable, then PoP shall make the loss good.
c. Handling of Exit/withdrawal forms received offline from subscribers	PoP shall submit the exit/withdrawal request form along with supporting documents received offline from subscribers to CRA for storage purpose. PoP shall maintain a copy of the same in physical/digital mode.	Maximum T+30 days, where T is the date of authorization of exit/withdrawal request in CRA system.	-

Note:

1. *Working days has to be considered for calculation of TAT even though system driven deductions are made on a non-working day.*
2. *Repo rate as declared by RBI Monetary Policy Committee from time to time.*
3. *TATs prescribed in column III of schedule I indicate the 'maximum/overall timeframe' stipulated for PoP (including the time taken at all levels i.e. by PoP-SPs/service provider branches/offices and/or PoP-SEs and/or individual BCs or agents and/or RAs) to complete the respective service requirement / activities prescribed in column II. However, PoP shall ensure carrying out the service requirements in shortest possible time*
4. *Wherever PoP-SPs/service provider branches/offices are performing activities of NPS, 'T' for the purpose of calculation of TAT starts at the level of such branch/office, irrespective of their registration status in CRA/s' system*
5. *In case of upload of compensation amount by PoP in PRAN of subscribers which are frozen/ deactivated due to any reason:*
   a. *PoP may request CRA to unfreeze the PRANs for specific period of time for upload of compensation (Post upload, PRANs will be again frozen/deactivated by CRA).*
   b. *In case where PRANs are frozen/deactivated due to execution of exit request, PoP may refund the compensation amount directly to subscriber's bank account under intimation to subscribers.*
6. *PoP shall accept the various 'PFRDA prescribed Forms' only with the date of submission of form by the subscribers and shall also ensure to duly date stamp such forms upon receipt at all levels of operation (at all levels of PoP/PoP-SPs/PoP-SEs/individual BCs or agents/RAs)*

26. Compensation for delay in settlement of claims

As per Reserve Bank of India (Settlement of Claims in respect of Deceased Customers of Banks) Directions, 2025 dated 26.09.2025

I. If any deposit related claim is not settled within a period not exceeding 15 calendar days from the date of receipt of all the required documents associated with the claim, then the bank shall communicate the reasons for such delay to the claimant(s). Further, in cases of delay attributable to the bank, compensation shall be paid by the bank in the form of interest, at a rate not less than the prevailing Bank Rate + 4% per annum, on the settlement amount due for the period of delay. The reference date for reckoning the amount due and the prevailing Bank Rate shall be the date of receipt of all required documents from the claimant.

II. For claims related to safe deposit locker/ articles in safe custody, the bank shall be required to pay compensation to the claimant(s) at the rate of ₹5,000 for each day of delay, in cases where it doesn't adhere to the timeline. i.e. within 15 calendar days of receipt of all the required documents, process the claim and communicate with the claimant(s) for fixing the date for making inventory of the locker/ articles in safe custody.

27. 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, lockout, strike or other labor 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.

28. Customer Responsibility:

28.1 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 the Bank, until the Bank has been notified by the customer.

28.2 The Bank will not be responsible for the loss to the customer, if the customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/her. Bank will also not be responsible for the losses arising out of misuse of lost PIN, compromise of passwords or confidential information, until the time the Bank has been notified of such loss/compromise and has taken steps to prevent its misuse.

29. Disclaimer Clause: Notwithstanding anything contained here above, the Bank shall not pay any compensation in the following cases: -

29.1 Any deficiency regarding loans and advances activities of the Bank.

29.2 Dishonour of at par payment agreement with other banks, due to non- funding and security compliance

29.3 In case of delay on account of non-functioning of business due to factors beyond the control of the bank the period covered by such events shall be omitted for calculation of delay etc.

29.4 Where the issues are sub-juiced and pending before Courts, Ombudsman, Arbitrator, Government and/or matter put on hold due to stay.

30. <u>Validity of the policy:</u>

The policy is valid for a period of 3 years from the date of approval by the Board and Review of the policy every year. MD and CEO has powers to extend the policy by another 6 months after the expiry. We confirm that all the relevant circulars/guidelines/directions issued by RBI and other regulators with regard to the New Policy or Policy under review/renewal, during the review period has been incorporated in the policy. However, during the review period, no new guidelines has been issued.

Sl. No	RBI/Other regulators Ref No.	Date	Guidelines/Circulars/Direction in Brief
1	RBI/2021-22/08 DGBA. GBD. No. S-1/31.02.007/2021-22	01.04.2020	Master Circular –Disbursement of Government Pension by Agency Banks.
2	PFRDA circular No. PFRDA/2023/21/SUP-POP/04	30.06.2023	Circular on compensation payable to NPS subscribers in case of default by PoP.
3	RBI circular No. DoR.MCS. REC.38/01.01.001/2023-24	13.09.2023	Circular on Compensation for delay in release of Movable/Immovable Property Documents
4	RBI circular No. DoR.FIN. REC.48/20.16.003/2023-24	26.10.2023	Circular on Compensation for delay in updation /rectification of credit Information
5	RBI/2019-20/67/DPSS.CO.PD No.629/ 02.01.014/2019-20	20.09.2019	Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using unauthorized payment systems.
6	RBI circular RBI/2021-2022/86 DOR. LEG.REC/40/09.07.005/2021-22	18.08.2021	Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions.
7	RBI/2025-26/82DoR.MCS.REC.50/ 01.01.003/2025-26	26.09.2025	Reserve Bank of India (Settlement of Claims in respect of Deceased Customers of Banks) Directions, 2025

<u>Compensation on Account of Financial Loss in Non-Digital transactions</u>
<u>Standard Operating Procedure (SOP)</u>

We have devised the TAT in this SOP based upon the handling of complaints at Customer Service Department. **<u>TAT with regard to non-digital transaction is not available in IBA and RBI master circulars.</u>** <u>The objective to provide SOP and TAT for Non-digital transaction is for speedy redressal of customer grievances.</u>

S.N.	Incident	Details of Incident and Action to be taken	TAT
1	**Advisory/Direction Issued by Internal Ombudsman or RBI Integrated Ombudsman.**	Other than Digital Complaints, Bank has to pay the Compensation amount mentioned in Advisory/Direction issued by IO or BO for **<u>deficiency in service</u>**. This is applicable for Non-digital Complaints only.	within 3 days of receipt of advisory/direction
2	**Unauthorized / Erroneous Debit**	If the bank has raised an unauthorized/erroneous direct debit to an account which does not involves a third party, Entry should get reversed immediately after verification. Verification process should get completed within 7 days.	7 Days
		In case the verification involves a third party or where verifications are to be done at overseas centers,	30 Days
3	**<u>Incidence of Fraud.</u> (For Digital fraud related incidence, Branches has to refer to Limited Liability Circular of DBD.)**	In case any amount has been debited to the account of a customer on account of Fraudulent transactions, if Bank is at fault. The amount will be reversed to the customer account.	Immediately
		If fraud committed by the Staff and has been so established. Bank has to reverse the amount along with compensation of 1% above the applicable Interest rate in respect of Deposit/Overdraft/Loan account, for the period, on the amount involved.	Immediately
4	**Interest rate dispute on Advances**	If customer incurred loss due to wrong charging of Interest on Advances, branch has to verify the same and if wrongly charged, rectify the interest rate immediately after receipt of complaint and reverse the excess Interest charged within 30 days after taking permission from Regional Office as per extant guidelines like Certificate from Concurrent Auditor etc.	30 Days
5	**Interest Rate dispute on Deposits**	Branch has to verify the customer complaint and rectify the same immediately by taking up with ITD and calculate the Short Interest and credit the same after taking permission from RO within 10 days as per extant guidelines.	10 Days
		If deposits were closed prematurely due to omission or due to human error, then branch has to credit the difference immediately by	Difference amount to be credited

		taking up with ITD (for confirmation of Correctness of amount to be reversed) after acknowledging the complaint.	immediately after receipt of complaint.
6	**ECS direct debits/other debits to accounts**	The bank will undertake to carry out direct debit/ ECS debit instructions of customers in time. If Bank fails to meet commitments, then Bank/ Branch has to compensate the customer for extent of any financial loss the customer would incur on account of delay/failure in carrying out the instruction.	7 Days
		The bank would be in order to debit the customer's account with applicable service charge as per the schedule of charges notified by the bank. In the event the bank levies any charge in violation of the arrangement, the bank will reverse the charges when pointed out by the customer subject to scrutiny of agreed terms and conditions. Bank has to compensate the customer for any consequential financial loss to the customer.	7 Days
7	**Payment of Cheques after Stop Payment Instructions**	In case a cheque has been paid after stop payment instruction acknowledged by the bank, the bank shall reverse the transaction and give value-dated credit to protect the interest of the customer. Any consequential financial loss to the customer will be compensated.	2 days
8	**Foreign Exchange Services (The exchange rate prevalent on the date of conversion will apply. No compensation will be paid to volatility in the exchange rate)**	**USD Denominated Cheques:** The cooling period will be 21 calendar days for USD denominated cheque collection from the date of Nostro credit. The Bank will pay interest at SB rate from the date of credit to Nostro account till the date of credit to the beneficiary's account if the credit is made on the 22nd day. If the delay is more than 22 days, the interest will be paid at the applicable term deposit interest rate for the delayed period.	21 Days
		Other Currency Denominated cheques: Cooling period for other currencies of other countries is 16 calendar days.	16 Days
		Inward Remittances: Inward remittances will be credited within 7 days from the date of credit in our Nostro account, if the beneficiary's account particulars are available correctly. Customers will be compensated by way of interest for the delayed credits beyond 7 days at 2% above SB interest Rate.	7 days

9	**Remittances in India**	**Payment of Interest for delayed Collection of Outstation Cheques:** Bank has to compensate the customer and pay the SB rate of Interest if delay is beyond 7/10/14 days. beyond 15 days Bank has to pay Term Deposit Interest. If cheque is for Loan/CC account, then Interest is payable as per Loan account interest. for any delays beyond 90 days 2% additional Interest will be paid.	Immediately (As per applicable stipulated time reference)
		Cheque/Instruments lost in transit/in clearing process or at paying bank's branch: Bank has to help the customer to get the duplicate cheque/instrument and compensate the customer for delay beyond stipulated time of collection. Bank has to Pay SB Interest on delay in collection beyond 15 days.	Immediately after receipt of complaint.
10	**Issue of Duplicate Draft and Compensation for delays**	Duplicate draft will be issued within a fortnight from the receipt of such request from the purchaser thereof. 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.	Immediately after receipt of complaint.
11	**Violation of the Code of Bank's Commitment to Customer by banks agent**	In the event of receipt of any complaint from the customer that the bank's representative / courier or DSA has engaged in any improper conduct or acted in violation of the Code of Bank's Commitment to Customers, the bank is committed to investigate the matter and endeavor to communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, compensate the customer for financial loss, if any.	7 Days
12	**National Automated Clearing House (NACH)**	In the case of delay in crediting beneficiary's account or reversal of debited amount, beneficiary bank to reverse the uncredited transaction within T + 1 calendar day. Rs 100/- per day for any delay.	Immediately
		In the case of account debited despite revocation of debit mandate with the bank by the customer. Resolution to be completed within T + 1 calendar day. Rs 100/- per day for any delay.	Immediately
13	**Failure to execute Standing Instructions**	Any failure to execute Standing Instructions (and if it is directly attributable to the Bank), the Bank has to compensate the customer to the extent of the financial loss not exceeding	7 Days

		Rs.100/- per occasion along with Service charge incurred for SI registration subject to providing proper supporting documents for having incurred the loss.	
14	**Lenders liability; Commitments to borrowers**	Bank has to return all the Security Papers/ Title deed to borrower within 15 days of clearing all the dues. Any delay beyond this Bank has to compensate the customer if any Monetary loss incurred by customer.	15 days
		In the event of loss of title deeds to the mortgage property at the hands of the banks the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lump sum amount of Rs. 5,000/- (Rs. Five Thousand only.)	30 Days