



Indian Overseas Bank Compensation Policy

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.

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 RBI Integrated 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.

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.



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1. 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. 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. 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.
- b. **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.
- c. 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.
- d. **In case of erroneous debits arising out of Fraudulent or other transactions:**
- The Bank would compensate the customer forthwith without demur, where the bank is at fault.
 - 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.

As a measure of our Bank's commitment to speedy customer service, the customer will be compensated to the extent of amount as mentioned above where erroneous debits have taken place in the customer's account, either through our fault or where the fault is elsewhere in the system after getting necessary approval from the concerned layer of authority as per **Discretionary Administrative powers indicated below.**



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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/-
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/-

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 concerned Regional Office before making any compensation within the stipulated time as specified in the above para 1 b. 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.
- 2. ECS direct debits/other debits to accounts**
- 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.

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 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.



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4. Foreign Exchange Services:

4.1 Compensation for delayed payment:

4.1.1 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 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.

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.

4.1.2 Inward Remittances:

- I. 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.
- II. Customers will be compensated by way of interest for the delayed credits beyond 7 days at 2% above SB interest Rate.

4.1.3 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.

4.2 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).

4.2.1 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.



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- 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.

4.2.2 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.

5. 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:

a. 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.



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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.

b. Cheque/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 dishonored 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.

In line with the compensation policy of the bank the bank will compensate the account holder in respect of instruments lost in transit in the following way:

- i. 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.
- ii. 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.
- iii. 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.

6. 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.

7. 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.



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8. 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.

9. 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.

10. 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.

11. 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. Branches have to obtain prior approval from their Regional Manager for making compensation under this category.



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12. Compensation for delay in release of Movable/Immovable Property Documents – Lenders

liability: Commitments to borrowers: Reserve Bank of India vide their circular No. DoR.MCS.REC.38/01.01.001/2023-24 dated 13.09.2023 issued a circular on compensation for delay in release of Movable and Immovable Property Documents and as per the circular –

- 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 paying compensation as indicated at paragraph 6 above. 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

13. Insurance Cover for Digital Banking/Internet Banking Transactions:

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.

14. Wealth Management Products:

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

For any deficiencies in services at bank 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 as per the provision of clause 1(a) of this policy.

15. Compensation Payment for delay in Crediting Pension/Arrears:

For complaints from pensioners alleging inordinate delay in disbursing revised pension and arrears, RBI vide their Circular No. RBI/2024-25 /06 DGBA.GBD. No.S1/ 31.02.007 /2024-25 dated 01.04.2024 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.



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16. Compensation to Retail Individual Investors (RIIs) in an IPO.

SEBI, vide their circular no: **SEBI/HO/CFD/DIL2/CIR/P2018/22 dated 15.02.2018** has issued a circular on compensation to (RIIs) in an IPO:

As per Circular:

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.

2. Being Self Certified Syndicate Bank, our Bank adopted the policy for payment of compensation to Retail Individual Investors as per SEBI guidelines. For calculation of minimum compensation payable to investors in scenarios mentioned above in Para 1. a), b) and c), 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.

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

Compensation =	(Listing price* - Issue Price)	X	No. of shares that would have been allotted if bid was successful	X	Probability of allotment of shares determined on the basis of allotment
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*Listing price shall be taken as the highest of the opening prices on the day of listing across the recognized stock Exchanges

The formula has been explained with the help of an example as per Reference Chart given below.

- 4. In the 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.
- 5. No compensation would be payable to the applicant in case the listing price is below the issue price.



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6. RTAs shall share the basis of allotment file, if sought by Self Certified Syndicate Bank (SCSB), so that the SCSB shall have access to the allotment ratio for the purpose of arriving at the compensation.
7. Any applicant whose application has not been considered for allotment, due to failure on the part of the Bank, shall have the option to seek redressal of the same within three months of the listing date. On receipt of such application/s, Bank would be required to resolve the same within 15 days, failing which interest at the rate of 15% per annum for any delay beyond the said period of 15 days to be paid to the complainant.
8. The Customer can raise complaints seeking compensation through E-Mail / CPGRS / any other electronic Mode directly to Branches and/or SCORES Platform of SEBI website.

Reference chart for calculation of minimum compensation in case of non-allotment of specified securities to applicants (Retail Individual Investors) in an IPO

Example - Security A

Issue Price: 300

Listing Price: 325

Minimum Bid lot: 20 shares

Total No. of Applications received from RII	No. of Equity Shares applied in all valid applications	Shares Reserved for RIIs	No. of times Subscribed
(A)	(B)	(C)	(D)=B/C
2,00,000	3,28,00,000	35,00,000	9.37

*RII-Retail Individual investor

In this case maximum possible allottees is $35,00,000/20 = 1,75,000$

The basis of allotment is determined by Lead Managers in consultation with the Stock Exchanges as under:

No. of Lots	No. of Shares at each lot	No. of retail Investors applying at each lot	Total No. of Shares applied for at each lot	No. of investors who shall receive minimum bid-lot (to be selected on lottery)	Allotment Ratio Determined	No. of shares allotted per allottee (minimum lot size)
A	B	C	D=(B*C)	E	F = E:C	G
1	20	10,000	200,000	$8750 = (175000/200000) * 10000$	7:8	20
2	40	10,000	400,000	8,750	7:8	20
3	60	10,000	600,000	8,750	7:8	20
4	80	10,000	800,000	8,750	7:8	20
5	100	20,000	2,000,000	17,500	7:8	20
6	120	20,000	2,400,000	17,500	7:8	20
7	140	15,000	2,100,000	13,125	7:8	20
8	160	20,000	3,200,000	17,500	7:8	20



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9	180	10,000	1,800,000	8,750	7:8	20
10	200	15,000	3,000,000	13,125	7:8	20
11	220	10,000	2,200,000	8,750	7:8	20
12	240	10,000	2,400,000	8,750	7:8	20
13	260	10,000	2,600,000	8,750	7:8	20
14	280	5,000	1,400,000	4,375	7:8	20
15	300	15,000	4,500,000	13,125	7:8	20
16	320	10,000	3,200,000	8,750	7:8	20
Total		200,000	32,800,000	175,000		

In this case if the number of shares applied by an applicant whose bid was unsuccessful due to failure/error on part of SCSB is 20 shares or multiples thereof, then the minimum compensation is calculated as under:

$$\text{Compensation} = (\text{Rs.}325\text{-Rs.}300) * 20 * (7/8) = \text{Rs.}437.50$$

17. 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. <i>(Definition: Complete SRF means Subscriber Registration Form along with necessary documents as prescribed therein)</i>	Category i: 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. Category ii: Processing of registration through offline mode by PoPSPs/service provider branches/offices and online mode by PoP.	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).



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	<p>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.</p> <p>iv. In case of any discrepancy found during the collection and verification of SRF along with supporting documents, PoP/PoPSP/PoP-SE shall:</p> <ol style="list-style-type: none"> Inform the applicant. Coordinate with the applicant to get further requirements / new application form filled, if required. Refund the contribution amount including processing fees and taxes deducted/collected upfront by maintaining proper audit trail. <p>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.</p>	<p>Maximum T+7 days, where T is the date of receipt of complete SRF at PoP-SPs/service provider branches/offices.</p> <p>Category iii: Processing of registration through offline mode by utilizing CRA/CRA-FC by both PoP-SPs/service provider branches/offices and PoP.</p> <p>Maximum T+10 days, where T is the date of receipt of complete SRF at PoPSPs/service provider branches/offices.</p>	
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	<p>vi.PoP shall process subscriber registration at CRA portal (if applicable).</p> <p>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.</p>		
2. Contribution Processing			
<p>a. Collection of Contribution</p>	<p>i) Initial contribution</p> <p>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.</p>	<p>Maximum T+1 day, where T is the date of receipt of activation status of PRAN from CRA.</p> <p><i>(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).</i></p>	<p>For each delayed transaction, PoP shall pay:</p> <p>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)</p>
	<p>ii) Subsequent contribution</p> <p>i.PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature.</p>	<p>i. On T Day, where T is the date of receipt of non-cash instruments / receipt of contributions through online mode</p>	
	<p>ii.Post verification of PRAN, PoP shall put non-cash instruments for clearance.</p>	<p>ii. Maximum T+1 day, where T is the date of receipt of non-cash</p>	



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		instruments. <i>(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).</i>	
b. Processing of Contribution	<p>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.</p> <p>ii. PoP shall prepare and upload SCF into CRA system.</p> <p>iii. PoP shall remit the funds to Trustee Bank post successful upload of SCF at CRA portal.</p>	<p>Maximum T+1 day, where T is the date of receipt of clear funds by PoP.</p> <p>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.</p>	<p>For each delayed transaction, PoP shall pay:</p> <p>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)</p> <p>*Compensation shall be paid for each underlying subscriber.</p>
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.	<p>Category i:</p> <p>Receipt of change request directly by PoP</p> <p>Maximum T+1 day, where T is the date of receipt of complete change request at PoP</p>	<p>i) For each delayed transaction including delay due to wrong/incorrect processing, PoP shall pay:</p> <p>Repo rate + 2 % p.a. of the transacted</p>



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



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4. Grievance Management and Exit processing			
a. Grievances received from NPS subscribers/prospects	<p>i. PoP shall resolve the grievances received in CGMS in accordance to relevant Regulations.</p> <p>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.</p>	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	<p>i. PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature.</p> <p>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.</p> <p>iii. PoP shall upload and process the exit and withdrawal requests as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>ii) In case of loss to subscriber is more than the compensation applicable, then PoP shall make the loss good.</p>



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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.	-
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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)

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

Liability of Bank arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer - The Bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer.

Liability of Bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank - In instances where it is established that the loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.



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

Reserve Bank of India vide their circular No. DoR.FIN.REC.48/20.16.003/2023-24 dated 26.10.2023 issued a circular on compensation for delay in updation /rectification of credit Information which will come into effect six (6) months from the date of the circular and as per the circular:

- 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 CI/ CIC.

Explanation:

- (i) Section 21 (3) of CICRA, 2005 provides that a complainant may request a CIC or CI to update the credit information by making an appropriate 2 (Page correction, addition or otherwise, and on such request the CI or CIC shall take steps to update the credit information within thirty (30) days after being requested to do so.
- (ii) Rule 20 (3) (c) of CIC Rules, 2006 provides that the CI shall forward the corrected particulars of the credit information to the CIC or complainant within a period of twenty-one (21) days from the date when the CI was informed of the inaccuracy in the credit information.
- (iii) The combined reading of Section 21(3) of CICRA, 2005 and Rule 20 (3) (c) of Credit Information Companies Rules, 2006 provide the CI and the CIC, collectively, an overall limit of thirty (30) days to resolve/ dispose of the complaint. In effect, this would mean that a CI would get twenty-one (21) days and CICs would effectively get the remainder of nine (9) days for complete resolution of the complaint.
- b) A CI shall pay compensation to the complainant if the CI 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 CI, despite the CI 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 CI/ 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 CI and CIC.
- e) Compensation to be provided by the CICs/ CIs to the complainant (for delayed resolution beyond thirty (30) calendar days of filing the complaint) shall be apportioned among the CIs/ CICs concerned proportionately. Illustrative examples of the same are given in Annex.
- f) Where the grievance/ complaint involves inaccurate credit information provided by more than one CI, the complaint shall be registered by the complainant with the concerned CIC. The CIC shall coordinate with all the CIs concerned and furnish the complainant with a comprehensive resolution of the grievance.



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- 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 CI(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the CI(s) and/ or CIC.
- h) Where the complaint has been received and registered by a CI and there has been a delay in the resolution of the complaint, the CI 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 CI 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 CI to the postal address or email ID provided by the complainant.
- j) The CICs/ CIs 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 CIs/ 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 CIs or CICs.
- m) In case of wrongful denial of compensation by CIs 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.
- n) **Non-Maintainability:** The compensation framework shall not be applicable in the following cases:
- (i) disputes for which remedy has been provided under Section 18 of CICRA, 2005. The Section 18 of CICRA, 2005 provides that for disputes arising amongst, CICs, CIs, borrowers, and clients on matters relating to the business of credit information and for which no remedy has been provided under CICRA, 2005, such disputes shall be settled by conciliation or arbitration as provided in the Arbitration and Conciliation Act, 1996.
 - (ii) complaints/ references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff, and (d) references in the nature of suggestions and commercial decisions of the CIC/CI.
 - (iii) complaints pertaining to disputes/ grievances regarding the computation of the credit score/ credit score model.
 - (iv) complaints that have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.



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20. 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.

21. Amendment/ modification of the Policy:

The bank reserves the right to amend/modify this policy, as and when deemed fit and proper, at its sole discretion. However, the bank shall endeavor to review the policy at Annual intervals.

22. Validity of the policy:

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.

23. 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	SEBI/HO/CFD/DIL2/CIR/P2018/22	15.02.2018	Circular on compensation to (RIIs) in an IPO
3	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.
4	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
5	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
6	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.
7	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.



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24. Disclaimer clause

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

- I. Any deficiency with regard to delay in sanction/rejection of loans and advances of the Bank.
- II. Dishonor of at par payment agreement with other banks, due to non-funding and security compliance.
- III. Delays on account of non-functioning of Bank's business due to factors beyond the control of the bank the period covered by such events shall be omitted for calculation of delay etc.
- IV. Where the issues are sub-judice and pending before Courts, Ombudsman, Arbitrator, Government and matter put on hold due to stay.

Compensation on Account of Financial Loss in Non-Digital transactions **Standard Operating Procedure (SOP)**

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

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 unauthorized/erroneous direct debit to account which does not involves a third party, Entry should get reversed immediately after verification. Verification process should be 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



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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 taking up with ITD (for confirmation of Correctness of amount to be reversed) after acknowledging the complaint.	Difference amount to be credited 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	7 Days



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		customer would incur on account of delay/failure in carrying out the instruction.	
		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.	7 days



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		Customers will be compensated by way of interest for the delayed credits beyond 7 days at 2% above SB interest Rate.	
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	7 Days



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		wherever justified, compensate the customer for financial loss, if any.	
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 Rs.100/- per occasion along with Service charge incurred for SI registration subject to providing proper supporting documents for having incurred the loss.	7 Days
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