

**POLICY ON COMPENSATION & CUSTOMER PROTECTION FOR
LIMITING LIABILITY OF CUSTOMERS IN UNAUTHORIZED
ELECTRONIC BANKING TRANSACTIONS (UEBT)
VERSION NO. 2.0
2024-2025**

**CUSTOMER SERVICE SECTION
CUSTOMER SERVICE VERTICAL
OPERATIONS WING
HEAD OFFICE
112, J C ROAD
BENGALURU -560002**

Policy on Compensation & Customer Protection for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions (UEBT) for the FY -2024-25

INDEX

Sl No.	Contents	Page no
	CHAPTER - I	
	COMPENSATION	
A.	Objectives	4
B.	Systems & Procedures	4
1	Unauthorised /Erroneous debit arising on fraudulent or other transactions	4
2	ECS, direct debits, other debits to accounts, standing instructions, NEFT, RTGS, Internet Banking, Mobile Banking and IMPS / UPI transactions	5
3	Stipulation of compensation for delay in clearance of Local Cheque etc.	6
4	Stipulation of compensation for delayed credits / refunds of NEFT transactions	6
5	Payment of Cheque after Stop Payment Instructions	6
6	Foreign Exchange Services	6
7	Remittances in India	7
8	Cheques / Instruments lost in transit / in clearing process or at paying Banks' branch	8
9.a	Payment of Interest for Delays in collection of bills	8
9.b	Delay in Re-representation of technical return cheques and levy of charges for such returns	9
10	Violation of the Code by Banks agent	9
11	Transaction of "at par instruments" of Co-operative Banks by Commercial Banks	10
12	ATM	10
13	Issue of Duplicate Draft and Compensation for delays	10
14	Lenders liability; Commitment to Borrowers/ Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans	10
15	Delay in Payment of Pension	11
16	Minimum balance in Savings Bank accounts	11
17	Compensation in case of delay in collection of cheques denominated in Foreign Currency	12
18	Wealth Management Products	13
19	Unauthorised Electronic Transaction reported by Customers	13
20	Force Majeure	13
21	Compensation to Retail Individual Investors (RIIs) in an IPO	14
22	Timeline for payment of compensation	16
23	Failed Transactions	17
24	Digital Payment Security Controls	18
25	Loss of Contents of the Locker : Liability of Banks arising	18

	from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer in respect of loss of contents of the locker	
26	Loss of Contents of the Locker : Liability of Banks arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the Bank in respect of loss of contents of the locker	19
27	Complaints related to Credit Information Companies (CIC)	19
CHAPTER - II		
Customer Protection for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions		
1	Objectives	20
2	Background	20
3	Systems & Procedures	20
3.1.1	Broadly, the Electronic Banking Transactions (EBT) are divided into two categories	20
3.1.2	Safety and security measures for customers to carry out Electronic Banking Transactions (EBT)	20
3.1.3	Reporting of unauthorised Electronic Banking Transactions by Customers to Banks	22
3.2	Limited Liability of a Customer	23
3.2.1	Zero Liability of a Customer	23
3.2.2	Limited Liability of a Customer	24
3.2.3	Third Party Breaches	25
3.2.4	Reversal Time for Zero Liability	25
4	Compliance/ Monitoring of Implementation of the Policies	26
4.1	Details of Grievance handling/ escalation procedure	26
4.2	Burden of Proof	29
4.3	Reporting and Monitoring Requirements	29
CHAPTER - III		
C	Customers' responsibility	30
D	Amendment/ Modification of the Policy	30
E	Compliance/ Monitoring of implementation of the Policies	30
F	Disclaimer clause	31

CHAPTER - I

COMPENSATION

A. OBJECTIVES:

The objectives of this Policy is to provide 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.

The Policy covers compensation for financial losses which customer might incur due to deficiency in the services offered by the Bank which can be measured and as such the commitments under this Policy are without prejudice to any right the Bank will have in defending the position before any forum duly constituted to adjudicate Banker customer disputes.

B. SYSTEMS & PROCEDURES:

1. Unauthorized/ Erroneous Debit arising on fraudulent or other transactions: (Monitored by DBS & Reconciliation Vertical)

- 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 to the customer by way of reduction in the minimum balance applicable for payment of interest on savings Bank deposit or payment of additional interest to the Bank in a loan account, 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 shall arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of erroneous debit. In case the verification involves a third party, 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. In respect of erroneous transactions reported by customer pertaining to credit card operations, the Bank shall provide explanation and, if necessary, documentary evidence to the customer within a maximum period of 60 days from the date the customer notifies the Bank regarding the erroneous debit.
- d. Erroneous transaction reported by customers in respect of credit card operations which require reference to a Merchant Establishment will be handled as per rules laid down by Card Association.
- e. (i) In cases of the Erroneous debits arising out of fraudulent transaction, in case of any fraud, if the branch is convinced that an irregularity/ fraud has been

committed by staff towards any constituent, the branch should at once acknowledge its liability and pay just claim.

(ii) In case where Bank is at fault, the Bank should compensate Customers without demur.

(iii) In case where neither the Bank is at fault nor the customer, but the fault lies elsewhere in the system, the Bank will help in restoring the actual amount involved. As a gesture of goodwill and to deal with the customers fairly, the Bank will compensate the customer with Rs.100/- per Rs.5000/- of the amount involved, subject to a maximum of Rs.1000/- for each instance. (Detailed procedure as per Chapter II, Para 3.2)

e. Compensation by way of interest payment, where necessary, shall be made without any claim from the customer.

2. ECS, direct debits, other debits to accounts, standing instructions, NEFT, RTGS, Internet Banking, Mobile Banking and IMPS / UPI transactions: (Monitored by DIT/TO Vertical & DBS Vertical)

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 written 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.

d) The Bank will undertake to pay compensation for the transactions initiated through Internet / Mobile Banking / UPI as under:

NEFT/ RTGS delay in Credit/return are compensated as per existing RBI guidelines. At present for NEFT, it is current RBI LAF Repo Rate plus two percent and current repo rate plus 2% for RTGS.

In case of failed IMPS / UPI transactions, compensation will be as per RBI guidelines on **Harmonisation of Turn Around Time (TAT)***.

*Compensation on failed transactions is as per clause 23 of this policy.

**3. Stipulation of compensation for delay in clearance of Local Cheque:
(Monitored by Reconciliation Vertical)**

Bank shall permit usage of the shadow credit afforded to the customers' account immediately after closure of relative return clearing. And in any case, withdrawal shall be allowed on the same day or maximum within an hour of the commencement of business on the next working day, subject to usual safeguards. Compensation at savings Bank interest rate shall be paid for the corresponding period of delay.

**4. Stipulation of compensation for delayed credit/ refunds of NEFT transactions:
(Monitored by DBS Vertical)**

In case of delay in crediting the beneficiary customer's account or in returning the non-credited amount to the remitter/ sender in case of NEFT, Bank shall pay penal interest. Under the extant guidelines, Bank is required to pay penal interest at the current RBI LAF Repo rate plus two percent for the period of delay/ till the date of refund as the case may be to the affected customer's account suo-moto, without waiting for claim from customers.

In case of delayed credits or delayed returns, the penal interest as applicable is paid suo-moto to the customer. Even in the case of back-dating or value-dating such delayed transactions, Bank shall pay the penal interest for the delayed period.

**5. Payment of Cheques after Stop Payment Instructions:
(Monitored by Reconciliation Vertical)**

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.

**6. Foreign Exchange Services (Foreign Currency Cheques sent on collection):
(Monitored by Integrated Treasury Wing)**

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

- i. Interest for the delay in crediting proceeds as indicated in the collection policy of the Bank. Such compensation shall be paid at the rate of interest applicable to NRE SB a/c in respect of NR - clients and domestic SB a/c in case of resident customers.
- ii. Compensation for any possible loss on account of adverse movement in foreign exchange rate.

7. Remittances in India: (Monitored by Reconciliation Vertical)

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

"Payment of Interest for delayed Collection of Local and 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 mentioned above. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the Bank's own branches or on other Banks for the purpose of payment of interest on delayed collection.

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

- a. 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.
- b. In the event the proceeds of cheque under collection were to be credited to an overdraft/ loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, interest will be paid at the rate of 2% above the rate applicable to the loan account.
- c. In case no rate is specified in the Cheque Collection Policy for delay in realization of local cheques, compensation at Savings Bank interest rate shall be paid for the corresponding period of delay.
- d. Time frame for collection of cheques drawn on State Capitals/ major cities/ other locations to be 7/10/14 days respectively. If there is any delay in collection beyond this period, the interest shall be the interest rate on Fixed Deposits on the corresponding maturity. The time frame for collection specified by the National Consumer Dispute Redressal Commission shall be treated as outer limit and credit shall be accorded if the process gets completed earlier.
- e. Banks shall not decline to accept Outstation cheques deposited by its customer for collection.

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

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

The same is extracted below for information:

8. Cheques / Instruments lost in transit/ in clearing process or at paying Banks' branch: (Monitored by Reconciliation Vertical)

- a. In respect of cheques lost in transit or in the clearing process or at the paying Bank's branch, the Bank should immediately bring the same to the notice of the account holder so that account holder can inform the drawer to record the stop payment and can also take care that other cheques issued by him are not dishonoured due to non-credit of the amount of the lost cheques / instruments.
- b. In case of cheque/ instrument lost, onus of such loss lies with the collecting Banker and not the account holder.
- c. The Bank would also compensate the customer for any reasonable charges he / she incurs in getting duplicate cheque/ instruments upon production of receipt in the event the instrument is to be obtained from a Bank/ institution who would charge fee for issue of duplicate instrument and also reasonable charges incurred for stopping payment of the cheque. The Bank shall reimburse the account holder related expenses for obtaining duplicate instruments and also interest at SB rate for reasonable delays occurred in obtaining the same.
- d. 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 mentioned above in para 7, point a to d.
- e. In addition, the 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.
- f. If the cheque/ instrument has been lost at the paying Bank's Branch, the collecting Banker shall have a right to recover the amount reimbursed to the customer for the loss of the cheque/ instrument from the paying Banker.

9. a. Payment of Interest for Delays in collection of bills: (Monitored by Reconciliation Vertical)

The lodger's Bank shall pay interest to the lodger for the delayed period in respect of collection of bills at the rate of 2% p.a. above the rate of interest payable on balances of Savings Bank accounts. The delayed period shall be reckoned after making allowance for normal transit period based upon a time frame of 2 days each for (i) Dispatch of bills; (ii) Presentation of bills of drawees (iii) Remittance of proceeds to the lodger's Bank (iv) Crediting the proceeds to drawer's account.

To the extent the delay is attributing to the drawee's Bank, the lodger's Bank may recover interest for such delay from that Bank.

9. b. Delay in Re-presentation of Technical return Cheques and Levy of Charges for such Returns: (Monitored by Reconciliation Vertical))

Bank shall levy cheque return charges only in cases where the customer is at fault and is responsible for such returns. Where the customers are not at fault the cheques need to be re-presented without any recourse to the payee, such representation should be made in the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such representation through SMS alert, email etc.

Illustrative list of objections where customers are not at fault:

Code No	Reason for Return
11	Drawer’s signature / authority to operate account not received
31	Instrument mutilated; requires Bank’s guarantee
33	Encoding / listing error
34	Clearing house stamp / date required
35	Wrongly delivered / not drawn on us
36	Present in proper zone
37	Instrument contains extraneous matter
52	Title of account required / Title of account wrong / incomplete
60	Crossed to two Banks
61	Crossing / clearing stamp not cancelled
62	Instrument specially crossed to_____
64	Payee’s endorsement required / irregular / requires collecting Bank’s confirmation
65	Endorsement by mark / thumb impression requires attestation by Drawer / Magistrate with seal
70	Advice not received / Amount / Name differs on advice
71	Drawee Bank’s fund with sponsor Bank insufficient
72	Payee’s separate discharge to Bank required
73	Not payable till 1st Proximo
74	Pay Order / cheque requires counter signature
80	Bank’s certificate ambiguous / incomplete / required
81	Draft lost by issuing office, confirmation required from issuing office.
82	‘Payee’s a/c Credited’ - Stamp required
84	Other reasons:_____

**10. Violation of the Code by Bank’s Agent:
(Monitored by Customer Service vertical, Operations Wing)**

In the event of receipt of any complaint from the customer that the Bank’s representative/ courier or DSA has engaged in any improper conduct or acted in violation of the Code of Bank’s Commitment to Customers which the Bank has adopted voluntarily, Bank shall take appropriate steps to investigate and to handle the complaint and to compensate the customer within 7 days from the date of receipt of the complaint for financial losses, if any.

**11. Transaction of “at par instruments” of Co-operative Banks by Commercial Banks:
(Monitored by General Administration Wing)**

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 dishonour of such instruments when the remitter has already paid for the instruments. In this connection it is clarified that the Bank will not honour cheques drawn on current accounts maintained by 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.

**12. Automated Teller Machine:
(Monitored by Reconciliation Wing)**

It is mandatory for Bank to reimburse the customer the amount wrongfully debited on account of failed ATM within a maximum period of T+5 days from the receipt of the complaint. For any failure to re-credit the customer's account beyond T+5 days from the date of receipt of the complaint, Bank shall pay compensation of Rs.100/- per day SUO MOTO to the aggrieved customer. This compensation shall be credited to the customer's account automatically without any claim from the customer, on the same day when Bank affords the credit for the failed ATM transactions.

(a) ATM free transaction: The number of free transactions permitted per month at other Bank ATMs to Savings Bank account holders shall be **inclusive** of all type of transactions, financial or non-financial.

(b) ATM failed transaction: All disputes regarding ATM failed transactions shall be settled by the issuing Bank and the acquiring Bank through the ATM System Provider **only**. No bilateral settlement arrangement outside the dispute resolution mechanism available with the system provider is permissible.

**13. Issue of Duplicate Draft and Compensation for delays:
(Monitored by CMS Wing)**

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 for corresponding period will be paid as compensation to the customer for such delay. The period of fortnight prescribed would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or beneficiary and would not be applicable in case of third party endorsements.

**14. Lenders liability; Commitment to Borrowers/ Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans
(Monitored by Customer Service Vertical, Operations Wing)**

The Bank has adopted the principles of lenders liability. In terms of the guidelines for lenders liability and the Code of Bank's Commitment to customers adopted by the Bank, the Bank would return all the securities/ documents/ title deeds of mortgaged/movable/immovable property to the Borrowers within 30 days of repayment of all dues agreed to or contracted.

The Bank will release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Bank will 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.

In case of loss/damage to original movable / immovable property documents, either in part or in full, the Bank will 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 above. However, in such cases, an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days)

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

**15. Delay in Payment of Pension:
(Monitored by Government Service Wing)**

In view of the delay in payment of arrears to pensioners due to revision of Pension including non-State resident pensioners, the Bank shall compensate the pensioners for the delayed period beyond the due date at 8% penal interest (as per RBI instructions dated 13.04.2012). Further the compensation shall be credited to the pensioners' accounts automatically without any claim from the pensioners on the same day when the Bank affords credit for revised pension/ arrears in respect of all delayed pension payments made since October 2008.

**16. Minimum balance in savings Bank accounts:
(Monitored by Strategy & Resources Wing)**

At the time of opening the accounts, Bank shall inform the customers in a transparent manner, the requirement of maintaining minimum balance and levying of charges, etc, if the minimum balance is not maintained. Any charge levied subsequently shall be transparently made known to all depositors in advance with one month's notice. The Bank shall inform, at least one month in advance, the existing account holders regarding any charges in the prescribed minimum balance and charges that may be levied if the prescribed minimum balance is not maintained. With effect from 16.05.2014, Bank shall not permit to levy penal charges for non-maintenance of minimum balances in any inoperative account.

17. Compensation in case of delay in collection of cheques denominated in Foreign Currency: (Monitored by Integrated Treasury Wing)

(a). The time limit for payment of inward remittances exceeding USD 10,000 or its equivalent is two working days from the date of receipt of credit advice/ Nostro statement.

For inward remittances up to USD 10000 or equivalent in other foreign currencies, payment is to be executed immediately on receipt of credit advice/ pass sheet credit.

In case of delay, the Bank shall also pay the beneficiary interest @ 2% over its Savings Bank rate. The Bank shall also pay compensation for adverse movement of exchange rate, if any. Saturday will not be treated as a working day.

However, in cases of inward remittance exceeding USD 10000 or equivalent, if intimation is sent to the beneficiary within 2 working days from the date of receipt of credit advice/nostro statement no compensation is payable.

If the Foreign Inward Telegraphic Transfer voucher in Foreign Currency & the amount of inward remittance is not credited to the beneficiary's account within the time limit stipulated as above, compensation is payable to the beneficiary of the inward remittance as under:

(i) By way of interest at 2% over the applicable Saving Bank rate provided the payment order is authenticated and contains full details of the beneficiary.

(ii) If the FOREX Rate moves adversely i.e. if TT Buying Rate prevailing at 12 Noon on the day on which the amount is due for credit is higher than TT Buying Rate prevailing at 12 Noon on the day of actual payment, the difference between these two rates is payable to the beneficiary of the inward remittance.

(iii) The compensation is also payable by way of payment of interest though the inward remittance denominated in Indian Rupees is not paid to the beneficiary as per the above provisions.

(iv) Customers would be compensated for delay in crediting the proceeds of foreign currency instruments payable abroad/ in India and sent on collection basis.

(v) Such compensation would be paid at the rate of interest applicable to NRE SB accounts in respect of NRI-clients and domestic SB account in the case of resident-customers, for the delays beyond prescribed period for various transactions which are as under:

a. Personal cheques/ drafts payable in the country of currency - if proceeds are not credited within 21 days (Cash letter with recourse)/ 31 days (Collection without recourse).

b. Personal cheques/ drafts payable in the country other than in the currency of the country - If proceeds are not credited within 45 days (Cash letter with recourse)/ 51 days (Collection without recourse).

Compensation will not be payable in the following cases:

- a) Whenever branches receive inward remittances executed by CPC-FT on the basis of pass sheet credit, without receipt of payment order. Such remittances do not qualify for the compensation.
- b) Payment of compensation is not applicable in respect of inward remittances received towards opening of foreign currency deposits like FCNR/RFC, etc., since such deposits are opened with effect from the date of credit into Bank's nostro account.
- c) Compensation is not payable on inward remittances received in favour of beneficiary maintaining accounts with other Banks and the proceeds of the remittances are paid to other Banks in the same currency of the remittance for investment in FCNR/RFC/EEFC etc.

18. Wealth Management Products:

(Monitored by Marketing, Public Relations & Third party products Wing)

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 provisions of this policy.

19. Unauthorised Electronic Transactions reported by Customers.

As per the Circular DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 issued by Reserve Bank of India; all Banks are required to formulate a Board Approved Customer Protection Policy for unauthorised electronic Banking transactions reported by customers.

The policy is inter alia, required to cover in detail, the liability of customers in different scenarios depending on whether compromise was at the Bank's end, customer's end or elsewhere in the system.

For all such transactions, the Bank would be governed by their Board Approved Customer Protection Policy or any other equivalent policy.

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. Compensation to Retail Individual Investors (RIIs) in an IPO:
(Monitored by Strategy & Resources Wing)**

SEBI, vide their circular SEBI/HO/CFD/DIL2/CIR/P2018/22 dated 15.02.2018 has issued a circular on compensation to (RIIs) in an IPO:

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:

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

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
-----------------------	---------------------------------------	----------	--	----------	--

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

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.

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 payment of compensation is to be accounted as revenue expenditure in the Books of the Bank. The instances of payment of compensation may not be regular and a few. The penalty if awarded will be on the Bank. Account payment of Compensation shall be paid by debiting the GL Head Penalties/ Penal interest (Code: 420082015) - Centrally and in case of accountability being fixed, the amount recovered will be credited to the same GL head.
 - a. To take up with concerned Resources Section of Circle Office with full details for early resolution.
 - b. Resources Section to verify and investigate the complaint with the branch and submit a report to Corporate Merchant Banking Division, Strategy & Resources Wing HO duly recommending for payment of eligible compensation to the complainant.
 - c. Circle Office shall fix the accountability, in the event of loss suffered by a investor and compensated by the Bank due to failure on the part of staff. The same has to be dealt with staff angle.
 - d. Corporate Merchant Banking Division at Strategy & Resources Wing will place a note to the Wing Head for permitting the compensation claimed and it will be paid centrally from HO, Branch and concerned circle will be informed accordingly.
9. 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	$8750=(175000/20000)*10000$	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
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:

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

22. Timeline for payment of compensation:

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

**23. Failed Transactions:
(Monitored by Reconciliation Vertical)**

Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems

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	<u>Card to card transfer</u> Card account debited but the beneficiary card account not credited.	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	<u>Point of Sale (PoS) (Card Present) including Cash at PoS</u> Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
c	<u>Card Not Present (CNP) (e-commerce)</u> Account debited but confirmation not received at merchant's system.		
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	Aadhar Enabled Payment System		
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 (where "T" is the date of transaction).
b	Account debited but beneficiary account not credited.		

24. Digital Payment Security Controls

Going by the pre-eminent role being played by digital payment systems in India, RBI gives highest importance to the security controls around it. Now it is proposed to issue Reserve Bank of India (Digital Payment Security Controls) Directions 2020, for regulated entities to set up a robust governance structure for such systems and implement common minimum standards of security controls for channels like internet, mobile Banking, card payments, among others. While the guidelines will be technology and platform agnostic, it will create an enhanced and enabling environment for customers to use digital payment products in more safe and secure manner.

**25. Loss of Contents of the Locker:
(Monitored by General Administration Wing)**

Liability of Bank arising from natural calamities like earth quake, flood, thunderstorm, lightning etc. Or due to sole negligence of 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. Bank shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

**26. Loss of Contents of the Locker:
(Monitored by General Administration Wing)**

Liability of Bank arising from fire/ theft/ burglary/ dacoity/ robbery/ building collapse or in case of fraud committed by the employee of the Bank in respect of loss of contents of the locker

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 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.

**27. Complaints related to Credit Information Companies (CIC):
(Monitored by Recovery, Legal and Fraud Prevention Wing)**

The Reserve Bank of India directs Credit Information Companies and Credit institutions to implement the compensation framework for delayed updation/ rectification of credit information by Cis (Credit Institutions) and CICs as detailed below

Complainants shall be entitled for 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.

CI would get twenty-one (21) days and CICs would effectively get the remainder of nine (9) days for complete resolution of the complaint.

Penalty needs to be paid by the Bank/CIC in case there is a delay.

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.

CHAPTER - II
CUSTOMER PROTECTION FOR LIMITING LIABILITY OF CUSTOMERS IN UNAUTHORIZED ELECTRONIC BANKING TRANSACTIONS (UEBT)

1. OBJECTIVES:

Financial Inclusion, Customer Protection and Fair Practices in Banking operations are the important pillars of Customer Service in Banks. To strengthen these thrust areas and to clearly determine the customer liability in respect of Unauthorised Electronic Banking Transactions (UEBT), Reserve Bank of India has issued revised directions vide their Circular DBR.No.Leg.BC.78/09.07.005/2017-18 dated 6th July, 2017. To give effect to these guidelines, a separate “Policy on Customer Protection for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions (UEBT)” as mandated by RBI is framed by the Bank.

2. BACKGROUND:

Due to increased thrust on digitalization from the Government as well as the Bank and increased use of digital platforms by customers, complaints/grievances relating to digital transactions are on the increase. It is also observed that incidence of cyber-crimes relating to Electronic Banking Transactions are increased.

In this context, considering the recent surge in customer grievances relating to unauthorized EBT resulting in erroneous debits to customer accounts/cards, to safeguard and protect the interest of the consumers, Reserve Bank of India (RBI) has issued the guidelines for determining the Customer Liability in case of un-authorized EBT.

3. SYSTEMS & PROCEDURES: (Monitored by DBS & Recon Vertical)

3.1.1. Broadly, the Electronic Banking Transactions (EBT) are divided into two categories;

- a) Remote / Online payment transactions/ Card Not Present (CNP) Transactions where physical payment instruments are not required for making transactions for example; Mobile Banking, Internet Banking, Pre-paid payment instruments (PPI) etc.
- b) 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.)

3.1.2. Safety and security measures for customers to carry out Electronic Banking Transactions (EBT);

The Bank has designed, and shall continuously strive to strengthen, systems and procedures to make customers feel safe about carrying out electronic Banking transactions.

To achieve this, the Bank shall put in place:

- i. Appropriate systems and procedures to ensure safety and security of electronic Banking transactions carried out by customers;**
 - a) The Bank shall ask its customers to mandatorily register for SMS alerts and wherever available register for e-mail alerts, for electronic Banking transactions.
 - b) The SMS alerts shall mandatorily be sent to the customers, while email alerts may be sent, where the customer requests for the same and e-mail id is registered.

- ii. Robust and dynamic fraud detection and prevention mechanism;**
 - a) The Bank shall provide One Time Password (OTP) to the customers through their registered mobile number at the time of making the payment of any transaction through payment gateway for confirmation/ authentication of the account holder.
 - b) Security measures like virtual keyboard in Internet Banking, Mandatory PIN verification for Debit Cards at POS machines as an additional security feature and introduction of EMV Chip based Cards, are also been implemented.
 - c) All alternative channels are integrated with EFRM (Enterprise wide Fraud Risk Management) tool for real-time fraud detection & prevention.

- iii. Mechanism to assess the risks resulting from unauthorized transactions and measure the liabilities arising out of such events;**
 - a) Bank is having the system to absorb the liabilities and to mitigate the risks arising out of unauthorized transactions.

- iv. Appropriate measures to mitigate the risks and protect themselves against the liabilities arising there-from;**
 - a) Bank shall send alerts through mobile for all types of Card related and online Banking transactions.
 - b) Risks and liabilities that may arise due to un-authorized EBT / fraudulent transactions would be met by appropriate Insurance cover taken by the Bank.

- v. A system of continuously and repeatedly advising customers on how to protect themselves from electronic Banking and payments related fraud.**
 - a) The Bank, from time to time, shall educate the customers to protect themselves from Electronic Banking and Payments related frauds through various channels.
 - b) Customers shall be periodically advised to have efficient security precautions and practices in protecting their personal computer, Smart-phones and to avoid conducting financial transactions from public or internet café

computers. For this purpose, Do's & Don'ts have been notified in Bank's Website (i.e. - www.canaraBank.com).

3.1.3. Reporting of Unauthorized Electronic Banking Transactions by customers to the Bank

- i. Customers desirous of undertaking electronic Banking transactions shall be asked to mandatorily register for SMS alerts and, wherever available, register for e-mail alerts.
- ii. Customers shall be advised to notify the Bank of any unauthorized electronic Banking transaction at the earliest after the occurrence of such transaction, and shall be educated that the longer the time taken to notify the Bank, the higher will be the risk of loss to the Bank/ Customer.

Customers are required to report to Bank immediately on knowing the occurrence of the unauthorized EBT.

- iii. To facilitate immediate reporting by the customers, the Bank shall provide its customers with 24x7 access through multiple channels (at a minimum, via website, phone Banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorized transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.
 - a) Call Centre with single point contact is functional in the Bank 24x7 to cater to customers in in seventeen languages namely Kannada, Tamil, Telugu, Malayalam, Marathi, Odia, Punjabi, Gujarati, Assamese, Bengali, Kashi, Kashmiri, Konkani, Tulu, Urdu, Hindi and English for reporting the unauthorized EBT or loss or theft of payment instrument like card.
 - b) **Call Centre Toll Free No.** 1800 1030 for any assistance/ lodging complaints. (Backup toll free number : 1800 425 0018).
 - c) Non Toll Free Numbers (if calling from outside India) +91-80-22064232 / 91 80-68212121
 - c) Customers can also reach the Bank through multiple channels like website for registering online complaints, SMS, Internet Banking, Mobile Banking, reporting to home branch etc.,
 - d) The Bank shall also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts and the customers should not be required to search for a web page or an e-mail address to notify the objection, if any.
 - e) A separate direct link is available with specific options for lodging the grievances regarding unauthorized Electronic Banking Transactions(EBT) in the Home Page of Bank's website www.canarabank.com
 - f) On receiving the SMS/ e-mail alerts, Customers are required to instantly respond in case of any suspicion/objection.
 - g) The Bank shall not offer facility of Electronic Banking transactions, other than ATM Cash withdrawals, to customers who do not provide mobile numbers to the Bank. In such cases, on receiving information about unauthorized

transactions from the customer, Bank will take immediate steps to prevent further unauthorized EBT in the account by way of blocking the Card.

h) CALL CENTRE TOLL FREE NO:
(Monitored by Customer Service Vertical, Operations Wing)

Customer can contact directly Call Centre Toll Free No. 1800 1030 for any assistance/ lodging complaints. (Backup toll free number : 1800 425 0018)
Non Toll Free Numbers (if calling from outside India) - +91-80-22064232
Bank has a dedicated team (Call Centre) to attend the calls of Customers/ General Public on Banking related issues 24x7.

N.B. - Customers are requested to call our mentioned Toll Free Numbers only for any complaints/ issues. Bank shall not be responsible for any consequences arising out of customers calling any other unverified numbers.

A) The Bank shall provide the following mechanism to ensure that response from the customers reach the Bank:

- a) Upon receiving the complaint, customers will get system generated acknowledgement along with registered complaint number in Canara Public Grievance Redressal System (CPGRS) package.
- b) Bank shall immediately block (may be temporarily), the internet and mobile Banking facilities / all accounts of the customer linked to the mobile number, whenever any information received regarding un-authorized Electronic Banking Transactions.
- c) For determining the extent of a customer’s liability regarding unauthorised EBT, the details of sending alerts through SMS / e-mail and any response received thereto, are recorded with date and time for all complaints in CPGRS Package.

3.2. Limited Liability of a Customer in case of unauthorized EBT

3.2.1. Zero Liability of a Customer

A customer’s entitlement to zero liability shall arise where the un-authorized EBT occurs in the following cases:

- i) Contributory fraud / negligence / deficiency on the part of the Bank. If the un-authorized transaction was made due to contributory fraud / negligence / deficiency on the part of the Bank, customer has zero liability to bear, irrespective of whether or not the transaction is notified / reported by the customer.
- ii) Third party breach where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, and the customer notifies the Bank within 3 working days of receiving communication from the Bank regarding the un-authorized EBT.

3.2.2. Limited Liability of a Customer

A customer shall be liable for the loss occurring due to un-authorized transactions in the following cases;

- i) In cases where the loss is due to negligence by customer, such as, where he/she has shared the payment credentials, the customer shall bear the entire loss until he/she reports the un-authorized EBT to the Bank. Any loss occurring after the report of the un-authorized EBT shall be borne by the Bank.
- ii) In cases where the responsibility for the un-authorized 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 4 to 7 working days after receiving the communication from the Bank) on the part of the customer in notifying the Bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table-1, whichever is lower.

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

Type of Account	Maximum Liability (Rs.)
➤ BSBD Accounts	5000.00
<ul style="list-style-type: none"> ➤ All other SB accounts ➤ Pre-paid Payment Instruments and Gift Cards ➤ Current/Cash Credit/Overdraft Accounts of MSMEs ➤ Current Accounts/Cash Credit/Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs.25.00 lakh ➤ Credit Cards with limit up to Rs. 5.00 lakh 	10000.00
<ul style="list-style-type: none"> ➤ All other current/Cash Credit/Overdraft Accounts ➤ Credit cards with limit above Rs.5.00 lakh 	25000.00

On the basis of RBI Guidelines, customer is entitled for compensation up to the extent of the transaction amount occurred due to system breach and not the full amount of loss occurred.

The compensations will be finalized by EBT Committee of DBS Wing/Recon Wing with following delegation of power.

AUTHORITY	POWER
Committee of DBS / Recon Wing on EBT Fraud Risk	0-5 Lacs
GM, Concerned Wing	above 5 Lacs and upto 10 Lacs
Executive Director	Above 10 Lacs

iii)Further, if the delay in reporting is beyond 7 working days, the customer liability shall be determined as follows;

“In case where neither the Bank is at fault nor the customer, but the fault lies elsewhere in the system and there is a delay in reporting beyond 7 working days and within 60 days of receiving communication from the Bank, the Bank will compensate the customer with Rs.100/- per Rs.5000/- of the amount involved, subject to a maximum Rs.1000/- for each instance”. The compensation shall be paid within Ten (10) working days of establishing the customer’s liability.

However, if the delay in notifying is beyond 60 days after receiving the communication from the Bank, the Bank is not liable to compensate the customer.

In cases where the customer does not provide the relevant documentation as requested by the Bank within 15 calendar days of Bank seeking the documents, the Bank is not liable to compensate the customer.

3.2.3. Third Party Breaches

Overall liability of the customer in third party breaches as detailed in 3.2.1(ii) & 3.2.2(ii) above, where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system is summarized in the Table-2

**Table - 2
Summary of customer’s liability**

Time taken to report the fraudulent transaction from the date of receiving the communication	Customer’s Liability (Rs)
Within 3 working days	Zero Liability
Within 4 to 7 working days	The transaction value or the amount mentioned in table-1, whichever is lower
Beyond 7 working days and within 60 days	As per point no.3. 2.2.(iii)

Note: The number of working days mentioned in Table-2 shall be counted as per the working schedule of the Home Branch of the customer excluding the date of receiving the communication.

3.2.4. Reversal Time for Zero Liability / Limited Liability of customer

- i) On being notified by the customer, the Bank shall credit (**shadow reversal**) the amount involved in the un-authorized EBT to the customer’s account within 10 working days from the date of such notification by the customer without waiting for settlement of insurance claim, if any. The credit shall be value dated to be as of the date of un-authorized EBT.

ii) Bank is having the discretion on the merits of the case to decide to waive off any customer liability (whether part or full) in case of un-authorized electronic Banking transaction even in cases of customer negligence.

The Competent Authority for waiving of customer’s liability (part or full) in case of un-authorized electronic Banking transactions where customer is negligent shall be MD & CEO of the Bank or in absence of MD&CEO, Executive Director of the Bank.

3.2.5. Bank shall ensure that;

- i) A complaint is resolved and liability of the customer if any is established within 90 days from the date of receipt of the complaint and the customer is compensated as per provisions mentioned above.
- ii) Where it is unable to resolve the complaint or determine the customer liability if any within 90 days, a compensation as prescribed in point no. 3.2.1 to 4 is paid to the customer and
- iii) In case of debit card/Bank account, the customer does not suffer loss of interest, and in case of credit card, the customer does not bear any additional burden of interest.

4. COMPLIANCE/ MONITORING OF IMPLEMENTATION OF THE POLICIES:

4.1. Details of Grievance handling / escalation mechanism for Unauthorised Electronic Banking Transaction (UEBT):

4.1.1. The following are the Channels through which customers can report unauthorised EBT;

- A. **SMS:** SMS messages will be sent to registered mobile number for all debit transactions appending a message which reads as “If this transaction is not initiated by you please report by SMS “SUSPECT” to 56161 to block accounts linked to this mobile number”. In case of any unauthorised Electronic Banking Transactions, to stop further debits in the account;
 - Domestic Customers can respond by sending SMS as SUSPECT to 56161
- B. **Website:** Customers can lodge complaint in our Canara Public Grievance Redressal System (CPGRS) Package regarding unauthorised EBT through our website www.canarabank.com. (under Customer Services >>Complaints>> Online Grievances Registration And Status Tracking System)
- C. **Internet Banking & Mobile Banking:** Customers can report the unauthorized EBT transactions through Internet Banking & Mobile Banking channel.
- D. Customer can report the unauthorized EBT through the home branches.
- E. **Customers can lodge complaints/ grievance by calling Toll Free No. - 1800 1030** (Backup toll free number : 1800 425 0018)

Non Toll Free Numbers (if calling from outside India) - +91-80-22064232

- F. The Bank will settle the liability of unauthorized EBT in each case as per the procedure mentioned in Table-1 & 2 respectively of Point no. 3.2.2 & 3.2.3.
- G. The customer/complainant has to approach the Home/Base Branch for submission of documents regarding the reported unauthorised EBT for settlement of claims.
- H. Customers can approach the Bank’s internal grievance redressal machinery and approach alternate fora only after exhausting all the remedies available under Bank’s internal grievance redressal mechanism, that is, the Branch Head, Regional Office, Circle Office and then finally Head Office.
- I. The customer who has reported “SUSPECT” transactions has to furnish the following documents to the Base Branch where the account is maintained, within 15 days from the date of report of the transaction;
 - i) Copy of Card and hot-listing date (screen shot of hot-listed card in CMS01 as provided by the Branch), if copy of the lost card is not available
 - ii) Latest Account statement (for the month of suspect transactions reported)
 - iii) Passport copy (all pages), if loss is at international location (If customer does not hold passport, an undertaking letter from the cardholder by mentioning “CUSTOMER DO NOT HOLD PASSPORT”)
 - iv) Copy of FIR or Acknowledgement of Police Complaint (If FIR / Police Complaint copy is in vernacular language, provide English / Hindi version of the same).
 - v) Copy of Dispute letter given by Customer to Bank (If complaint copy is in vernacular language, provide English / Hindi version of the same).

It may be noted that there is an office of Internal Ombudsman at the Bank’s Apex level of internal grievance redressal system (a retired Senior Executive of the rank of General Manager from another Bank) to whom the Bank is required to internally escalate all complaints for final decision/re-examination where the complaint is either proposed to be rejected or only partial relief is proposed.

- J. On receiving the information from the customer regarding unauthorized Electronic Banking Transaction, block all the accounts linked to the mobile number to prevent further attempt of fraudulent transactions. Account can be unblocked on submission of request to the respective branch where the account/s is/are maintained.
- K. Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days of receipt and work to resolve it within a reasonable period, not exceeding 90 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 90 days period will be reckoned after all the necessary information sought from the customer is received;

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

4.1.2. In addition, the Bank will -

- a. After examining the matter, send final response or explain why it needs more time to respond and shall endeavor to do so at the earliest, but not later than 90 days from receipt of complaint.
- b. Ensure the customer is refunded without delay and demur, if it cannot show proof beyond reasonable doubt to the customer on any disputed transaction (along with interest/ charges).

4.1.3 Procedure to be followed for handling card related UEBT complaints

1. On receiving the complaint about card related unauthorized transaction from the customer, branch shall conduct a preliminary enquiry with the customer and if satisfied, complaints shall be immediately lodged in CCR package under fraudulent category in SAS portal with all the necessary documents such as.
 - a) Customer Complaint Letter
 - b) Card Hot-listing Proof
 - c) All the Annexures for claiming insurance.
 - d) FIR/Police Complaint acknowledgment letter copy if available for Unauthorized transactions above 50,000/-
 - e) Any other relevant documents pertaining to Unauthorized transactions. (Ex. Passport copy (all pages), if loss is at international location (If customer does not hold passport, an undertaking letter from the cardholder by mentioning “CUSTOMER DO NOT HOLD PASSPORT”, etc.,)
- 2 Branch has to take utmost caution while registering these complaints in CCR Package to ensure that all these complaints are raised under “Fraudulent category” only.
- 3 Branches has to report all card related Unauthorized transactions other than debit card has to be reported along with all the documents stated in point 1 via email to horeconnfs@canaraBank.com and horeconlcp@canaraBank.com.
- 4 Further Branches on receiving the information from the customer regarding unauthorized Electronic Banking Transactions, shall ensure all the accounts linked to debit card/mobile number is blocked to prevent further attempts of fraudulent transactions. Branch should report the evidence in the incident reporting tool under SAS package and report to Review & Reporting Section, Recovery Legal & Fraud Prevention Wing, as per Fraud Risk Management Policy.
- 5 Communications for resolutions/rejections will be shared to respective Customer Service Section of Circle offices for information and the same will be uploaded in CCR module for information to RO/Branches. Branches has to communicate the

decision to the customers regarding the same immediately and RO/CO s shall ensure that necessary communication has been passed to all the eligible customers.

4.2. **Burden of Proof:**

It is clarified that the burden of proving customer's liability in case of un-authorized Electronic Banking Transaction shall lie with the Bank except in the following;

- Where the customer is negligent and has shared the payment credentials to unknown persons' consequent to which occurrence of un-authorized Electronic Banking Transactions are noticed.
- On receipt of the required documents from the customers who has reported the unauthorised Electronic Banking transactions, Card Dispute Management section of Digital Banking Services Wing, Head Office will verify the genuineness of the credentials of the customers.

4.3. **Reporting and Monitoring Requirements:**

- a. Customer Service Section, Customer Service Vertical, Operations Wing at Head Office shall place an Office Note to the Customer Service Committee of the Board on quarterly basis where the details like number of un-authorized Electronic Banking Transactions, amount involved and distribution across various categories of cases viz., Card Present Transactions, Card Not Present transactions, Internet Banking, Mobile Banking, ATM transactions etc. and compensation paid will be covered. All such transactions shall also be reviewed by the Bank's Internal Auditors at the time of Internal Audit. Digital Banking Services Wing and Reconciliation Wing, Head Office will be the functional wing to deal with all cases of unauthorized EBT.
- b. The Standing Committee on Customer Service of the Bank shall undertake a quarterly review of the unauthorized Electronic Banking Transactions reported by the customers, as also the action taken thereon.

CHAPTER - III

C. CUSTOMERS' RESPONSIBILITY:

Bank will not be responsible for the loss to the customers due to customer's carelessness in keeping the Cheque book, passbook, Debit/Credit 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.

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.

CALL CENTRE TOLL FREE NO

Customer can contact directly Call Centre Toll Free No. 1800 1030 for any assistance/ lodging complaints. (Backup toll free number : 1800 425 0018)

Non Toll Free Numbers (if calling from outside India) - +91-80-22064232

Bank has a dedicated team (Call Centre) to attend the calls of Customers/ General Public on Banking related issues 24x7.

N.B. - Customers are requested to call our mentioned Toll Free Numbers only for any complaints/ issues. Bank shall not be responsible for any consequences arising out of customers calling any other unverified numbers.

D. 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.

E. COMPLIANCE/ MONITORING OF IMPLEMENTATION OF THE POLICIES

(Monitored by Customer Service Section, Customer Service Vertical, Operations Wing)

Implementation of policy at Branches will be checked by Inspection Wing during RBIA & Concurrent inspection and deviations will be reported to Circles/ Customer Service Vertical, Operations Wing, HO.

Overseeing Executive of MIPD & PP Section/ Customer Service Section in Circle to ensure that all Regional offices are adhering to the Policy guidelines.

Overseeing Executive of MIPD & PP Section in Regional Office to ensure that all Branches are adhering to the policy guidelines.

F. DISCLAIMER CLAUSE:

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

- i) Any deficiency in regard to loans and advances activities of the Bank.
- ii) Dishonor of at par payment agreement with other Banks, due to non- funding and security compliance.
- iii) Delays on account of non-functioning of business due to factors beyond the control of the Bank the period covered by such events shall be omitted for calculation of delay etc.
- iv) Where the issues are sub-judice and pending before Courts, Ombudsman, arbitrator, Government and matter put on hold due to stay.
