

**Policy on Compensation & Customer
Protection for Limiting Liability of
Customers in Unauthorized Electronic
Banking Transactions (UEBT)
Version No. 4.0
2026-27**

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Policy on Compensation & Customer Protection for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions (UEBT) for the year 2026-27 (VERSION 4.0)

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, IMPS / UPI & AePS transactions	5
3	Stipulation of compensation for delay in clearance of Cheque etc.	6
4	Stipulation of compensation for delayed credits / refunds of NEFT transactions	6
5	Payment of Cheque after Stop Payment Instructions	7
6	Foreign Exchange Services	7
7	Remittances in India	8
8	Cheques / Instruments lost in transit / in clearing process or at paying Banks' branch	9
9.a	Payment of Interest for Delays in collection of bills	9
9.b	Delay in Re-presentation of technical return cheques and levy of charges for such returns	9
10	Violation of the Code by Banks agent	10
11	Transaction of "at par instruments" of Co-operative Banks by Commercial Banks	11
12	ATM transactions	11
13	Issue of Duplicate Draft and Compensation for delays	11
14	Lenders liability - Commitments to Borrowers	11
15	Delay in Payment of Pension	12
16	Minimum balance in Savings Bank accounts	12
17	Compensation in case of delay in collection of cheques denominated in Foreign Currency	13
18	Wealth Management Products	14
19	Unauthorised Electronic Transaction reported by Customers	14
20	Force Majeure	14
21	Compensation to Retail Individual Investors (RIIs) in an IPO	14
22	Timeline for payment of compensation	17
23	Failed Transactions	17
24	Digital Payment Security Controls	19
25	Loss of contents of the locker	20
26	Complaints related to Credit Information Companies (CIC)	20

	CHAPTER - II	
	Customer Protection for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions (UEBT)	
1	Objectives	21
2	Background	21
3	Systems & Procedures	21
3.1.1	Broadly, the Electronic Banking Transactions (EBT) are divided into two categories	21
3.1.2	Safety and security measures for customers to carry out Electronic Banking Transactions (EBT)	21
3.1.3	Reporting of unauthorised Electronic Banking Transactions by Customers to Banks	22
3.2	Limited Liability of a Customer	24
3.2.1	Zero Liability of a Customer	24
3.2.2	Limited Liability of a Customer	24
3.2.3	Third Party Breaches	26
3.2.4	Reversal Time for Zero Liability	26
4	Compliance/ Monitoring of Implementation of the Policies	27
4.1	Details of Grievance handling/ escalation procedure	27
4.2	Burden of Proof	30
4.3	Reporting and Monitoring Requirements	30
	CHAPTER - III	
C	Customers' responsibility	31
D	Amendment/ Modification of the Policy	31
E	Compliance/ Monitoring of implementation of the Policies	31
F	Disclaimer clause	31

Policy on Compensation & Customer Protection for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions (UEBT) for the Year 2026-27

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 Vertical, Technology Services Wing & Reconciliation Vertical, Operations Wing)

- 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)
- f. 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, IMPS / UPI & AePS transactions: (Monitored by Reconciliation Vertical, Operations Wing)

- 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.

Handling of AePS transactions:

- e) If the Bank has raised an unauthorized/ erroneous AePS debit to a customer account, the entry will be reversed immediately on being informed by the customer of the erroneous debit, after verifying the position. 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 AePS debit, the Bank will compensate the customer to the extent of such financial losses (Limited to amount of unauthorized/erroneous AePS debit/charges incurred if any).
- f) Upon verification of erroneous AePS debit happened to the customer, bank shall complete the verification within 7 days from the date of erroneous transaction.

- g) Otherwise in case of any third party involvement, one month from the date of reporting of erroneous AePS transactions.
 - h) The bank will provide explanation along with the documents within
 - i. 60 days for On-US transactions from the date of erroneous transactions upon intimation to the customers.
 - ii. As per the TAT of NPCI AePS ARCS system in case of Off Us AePS transactions upon intimation to the customers.
 - i) In case where the bank nor the customer is at fault and the fault lies elsewhere in the system, the bank shall help restoring the fraudulent amount as per NPCI guidelines stipulated from time to time.
 - j) In cases of the Erroneous AePS Fraudulent transactions happened to be involving staff, the bank will acknowledge its liability and pay as per guidelines of the bank.
 - k) In case where bank is at fault, the Bank should compensate Customers without demur as per compensation policy of the Bank.
- In case of failed IMPS / UPI & AePS 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 Cheques:
 (Monitored by Reconciliation Vertical, Operations Wing)**

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 Reconciliation Vertical, Operations Wing)**

In the event of any delay or loss on account of error, negligence, or fraud on the part of an employee of the beneficiary participant in the completion of funds transfer pursuant to receipt of payment instruction by the beneficiary participant leading to delayed payment to the beneficiary, the beneficiary participant shall pay compensation (at current RBI LAF Repo Rate plus two percent) for the period of delay to the beneficiary. In the event of delay in return of funds transfer instruction for any reason whatsoever, the beneficiary participant shall refund the amount together with interest (at current RBI LAF Repo Rate plus two percent) for the period of delay to the remitter. Payment of penal interest shall be made to remitter / beneficiary even if no claim is lodged to that effect.

Payment to Beneficiary:

The beneficiary branches would make payment to the beneficiaries within two hours of batch settlement time by crediting the specified account of the beneficiary or otherwise placing funds at the disposal of the beneficiary. The time limit for processing of transactions and credit to the beneficiary account shall be advised by RBI from time to time.

Acknowledgement / Positive Confirmation by the Beneficiary Participant and Return in Case of Non-Credit:

NEFT presently functions with a Batch+2 hours (B+2) return cycle. The B+2 return discipline would require participants to afford credit to the beneficiaries' account immediately upon completion of a batch else return the transactions within two hours of completion of the batch settlement, if it is not possible to afford credits to the beneficiaries, for any reason. Therefore, an inward credit message which is not returned within two hours from the time at which the payment instructions are processed at NEFT Centre (B+2) is treated to have been completed and credit afforded to the beneficiary's account by the beneficiary branch. It is, therefore, vital that uneffected credits are re-transmitted back as return NEFT transactions in the immediate next batch itself.

In addition to this, in order to facilitate the originator of NEFT to receive a confirmation of credit being afforded to beneficiary's account, the originator may indicate his / her mobile number or email-id in his / her NEFT application while initiating the transaction. After successfully crediting the beneficiary's account, the beneficiary participant will send a Credit Acknowledgement message indicating "credited to customers' account" to the originating participant through NEFT Service Centre. The originating participant after receiving the positive confirmation message from the beneficiary participant, shall initiate a mobile SMS or generate an e-mail to the originator to convey the fate of the transaction.

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, Operations Wing)**

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 Global Trade Processing Centre Vertical, 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, Operations Wing)

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 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, Operations Wing)

- 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, Operations Wing)

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, Operations Wing)

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, e-mail etc.

Illustrative but not Exhaustive List of Objections where customers are not at fault:

Code No.	Reason for Return
33	Instrument mutilated; requires bank's guarantee
35	Clearing House stamp / date required
36	Wrongly delivered / not drawn on us
37	Present in proper zone
38	Instrument contains extraneous matter
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp not cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
67	Payee's endorsement irregular / requires collecting bank's confirmation
68	Endorsement by mark / thumb impression requires attestation by Magistrate with seal
70	Advice not received
71	Amount / name differs on advice
72	Drawee bank's fund with sponsor bank insufficient (applicable to sub-members)
73	Payee's separate discharge to bank required
74	Not payable till 1st proximo
75	Pay order requires counter signature
76	Required information not legible / correct
80	Bank's certificate ambiguous / incomplete / required
81	Draft lost by issuing office; confirmation required from issuing office
82	Bank / Branch blocked
83	Digital certificate validation failure
84	Other reasons - connectivity failure
87	'Payee's account credited'- Stamp required
92	Bank excluded

**10. Violation of the Code by Bank's Agent:
(Monitored by user Wings/Verticals)**

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 GA Vertical, RC & GA 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 Transactions: (Monitored by Reconciliation Vertical, Operations 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 Vertical, Operations 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: Document Release & Tracking System (Monitored by Credit Administration Vertical, CA & Recovery 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 full 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 fall due on or after December 1, 2023.

15. Delay in Payment of Pension:

(Monitored by Government Services Vertical, Strategy, Resources & Government Services 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 Resources Vertical, Strategy, Resources & Government Services 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 Global Trade Processing Centre Vertical, Treasury Wing)

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.

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
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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.*

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 designated SA HEAD and in case of accountability being fixed, the amount recovered will be credited to the same SA 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, Resources Vertical, Strategy, Resources & Govt. Services 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 Resources Vertical, Head Office 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.
 - e. It is the responsibility of the Resources Vertical, Strategy, Resources & Govt. Services Wing HO to submit a concurrence note, with Wing Head recommendations, to the PNO before any debit to GL account 122422772 (SA - CUST Payment INCL BO advisories).

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.

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

24. Digital Payment Security Controls (Monitored by DBS Vertical, Technology Services Wing)

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.

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 (EBT), 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 Vertical, Technology Services Wing, Reconciliation Vertical, Operations Wing)

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.bank.in).

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 Bank 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, Koshi, 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) Country specific Toll Free numbers for NRI Customers are available for any assistance/lodging complaints. List of numbers is published over Bank's corporate website.
- d) Customers can also reach the Bank through multiple channels like website for registering online complaints, SMS, Internet Banking, Mobile Banking, reporting to Bank branch etc.,
- e) 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
- f) 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.bank.in
- g) On receiving the SMS/ e-mail alerts, Customers are required to instantly respond in case of any suspicion/objection.
- h) 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.

- i) **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) Country specific Toll Free numbers for NRI Customers are available for any assistance/ lodging complaints. List of numbers is published over Bank's corporate website. 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.

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.

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 Branch where reporting/document submission is done by the customer 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 (EBT):

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) portal regarding unauthorised EBT through our website www.canarabank.bank.in. (at home page “Lodge a Complaint”> Register a Complaint)
- 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 any Bank branch.
- E. **National Cyber Crime Reporting Portal (NCRP):** Customers can register their complaints by calling NCRP toll free number 1930 or visiting their website: <https://cybercrime.gov.in/> .
- F. **Customers can lodge complaints/ grievance by calling our Bank Toll Free Nos. - 1800 1030 (Backup toll free number: 1800 425 0018)**
Country specific Toll Free numbers for NRI Customers are available for any assistance/ lodging complaints. List of numbers is published over Bank’s website.
- G. 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.
- H. The customer/complainant may approach any Branch of the Bank for submission of documents regarding the reported unauthorized EBT for settlement of claims.
- I. 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.
- J. 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 in concerned regional language/Hindi/English.
- 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.

- K. 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.
- L. 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;
- M. 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, Legal & Fraud Prevention Vertical, CA & Recovery 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.

4.1.4 Procedure to be followed for treating AePS transactions through BC channel/BHIM Aadhaar Pay under UEBT

- a) AePS Management section, Reconciliation vertical will report the fraud complaints received in CCR Package on T+1 day with an Office Note for onward submission to AePS UEBT Committee
- b) Mandatory documents to be obtained from the branches
 - i. Customer Complaint copy
 - ii. Issuer Bank Investigation report.
 - iii. FIR copy/ Cyber portal complaint copy.
- c) Upon receipt of the above office note along with mandatory documents from AePS Management section, Reconciliation vertical, AePS UEBT committee has to analyse the fraud complaints using the verification tools and identify the transactions as Authorized/Unauthorized Electronic Banking Transaction.
- d) Biometric credentials shared by the customers for executing AePS transactions are encrypted and authenticated through UIDAI server. Hence no biometric log details are available for AePS transactions with our bank.
- e) However, the following verification tools may be used (concerned section has to provide the below logs in T+1 day on request),
 - i. EFRM Log obtained from EFRM Section, TM vertical, Operations Wing.
 - ii. OTP/SMS Logs obtained from GB&FI group, TO Vertical, TS Wing.
 - iii. Switch Logs obtained from GB&FI group, TO Vertical, TS Wing.
- f) If the above logs are not made available. Committee will reject the case as authorized EBT and not eligible under UEBT.
- g) Based on committee order, UEBT Section, Reconciliation vertical, Operations Wing has to instruct AePS Management section, Reconciliation vertical to provide Shadow Credit within T+1 day for all eligible AePS UEBT transactions approved by the committee under UEBT.
- h) For authorized EBT transaction: UEBT Section has to place note to Internal Banking Ombudsman for all AePS transactions which are rejected under UEBT by the committee and also mark copy to Transaction Monitoring vertical, Operations wing for reporting purpose.

- i) AePS Management section will raise all the fraud complaints in NPCI EFRM & ARCS Portal on T+1 day along with other relevant appropriate action for all the claims because of TAT Compliance at NPCI.
 - i. AePS Management section will refund the fraud amount upon receiving the funds from Acquirer Banks in settlement process through NPCI.
 - ii. AePS Management section has to adjust the shadow credit entries and inform to UEBS section if Acquirer Banks settle the funds of unauthorized fraud complaints where shadow credit has been given.
 - iii. AePS Management section has to reverse the shadow credit entries and inform to UEBS section if Acquirer Banks reject the chargeback raised where shadow credit has been given.
 - iv. UEBS Section has to raise claims under commercial crime Insurance policy for the rejected cases.

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;

- a) 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.
- b) On receipt of the required documents from the customers who has reported the unauthorised Electronic Banking transactions, concern section at Reconciliation Vertical, Operations Wing Head Office will verify the genuineness of the credentials of the customers.
- c) For AePS transactions AePS section of Financial Inclusion Vertical, LB&FI Wing, Head Office will verify the genuineness of the credentials of the customers.

4.3. **Reporting and Monitoring Requirements:**

- a. Reconciliation vertical, Operations wing will be the functional wing to deal with all UEBS transactions (including AePS) and reporting.
- b. 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 Vertical, Technology Services Wing and Reconciliation Vertical, Operations Wing, Head Office will be the functional wing to deal with all cases of unauthorized EBT.
- c. The Standing Committee on Customer Service of the Bank shall undertake a quarterly review of the unauthorized Electronic Banking Transactions reported by the customers, and 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.

Bank shall not be responsible in the cases where 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).

Country specific Toll Free numbers for NRI Customers are available for any assistance/ lodging complaints. List of numbers is published over Bank's website.

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

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 Operations Section/Customer Service Section in Circle to ensure that all Regional offices are adhering to the Policy guidelines.

Overseeing Executive of Operations Section/Customer Service 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.
