



RESOURCES MANAGEMENT & OPERATIONS DEPARTMENT.

CUSTOMER COMPENSATION POLICY: FY 2024-25.

I. POLICY APPROVAL.

Resolved in BoD Meeting.	
Date	Resolution No
28/03/2024	35

II. PERIOD OF POLICY.

Period of Policy.
With effective from 01/04/2024 and will be reviewed every year in the month of March. However, will be modified, changed as & when needed.

III. SIGN OFF.

Prepared	Shri. Ashok Pol- Patil, Deputy General Manager & HOD, Resources management Operations department.	
Seconded	Shri. Santosh Jadhav CCO	
Finalized	Shri. Vishram Dixit, CEO	

IV. Distribution.

01	All Branches
02	All HODs at HO



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01. INTRODUCTION.

- 01.01. The Bank will endeavor to give the best services to the customers by utilizing the technological infrastructure.
- 01.02. However, in the event, for some reasons that are beyond the control of the Bank or inadvertently, the Bank is unable to meet the service level commitments in dealing with the customers, then the interest of the customers be safeguarded by giving compensation.

02. OBJECTIVE.

- 02.01. The objectives of this policy are to establish a system to compensate 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.
- 02.02. Bank will ensure that the customer is compensated without having to ask for it.
- 02.03. Bank expects the minimum instances of customer's approaching to the Banking Ombudsman or any other forum for redressal.
- 02.04. It is reiterated that the Policy covers only compensation for financial losses which customers might incur due to deficiency in the services offered by the Bank which can be measured directly and as such the commitments under this Policy are without prejudice to any right, the Bank will have in defending its position before any forum duly constituted to adjudicate banker customer disputes.

03. APPLICABILITY.

- 03.01. This Customer Compensation Policy will be applicable to all type of customers who are banking with us and/or depending or availing the services of the Bank.

04. SCOPE.

- 04.01. The policy covers only compensation for financial losses in real terms for specific value which the customer might incur due to deficiency in the services given by the Bank which can be measured directly.
- 04.02. The commitments under this policy are without prejudice to any right of the Bank to defend its position before any Court of Law or any forum duly constituted to adjudicate banker-customer disputes.
- 04.03. The Policy does not cover and is not applicable in respect of claims made by the customer on account of opportunity losses or damages or claims pertaining to reputation loss.

05. COVERAGE.

- 05.01. Unauthorized / Erroneous Debits in the account of the customer.
- 05.02. Reversal of erroneous debits arising on account of fraudulent Transactions.
- 05.03. Reversal of erroneous debits arising on account of fraudulent unauthorized electronic banking transactions.
- 05.04. Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems.
- 05.05. NACH/ACH direct debits / Standing Instructions / other debits to Accounts.
- 05.06. Debits towards Service Charges.





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- 05.07. Changes in Terms and Conditions.
- 05.08. Payment of Cheques after Stop Payment Instructions.
- 05.09. Delay in clearance of local cheques and outstation of cheques.
- 05.10. Delay in credit/return of NEFT/ RTGS / NACH/ACH transactions.
- 05.11. Return of all securities/documents/title deeds of mortgaged property.
- 05.12. Cheque / Instruments lost in transit / in clearing process.
- 05.13. Issuance of Duplicate Demand Draft.
- 05.14. Safe Deposit Locker facility provided by Bank.
- 05.15. Violation of the Code by the Bank's agents.

06. UNAUTHORIZED / ERRONEOUS DEBIT IN THE ACCOUNT OF THE CUSTOMER.

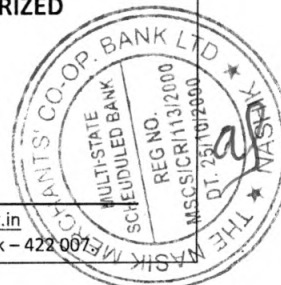
- 06.01. If the Bank has raised an unauthorized/erroneous direct debit to an account, the entry will be reversed immediately on being detected, with proper value date after due verification.
- 06.02. In the event, the unauthorized/erroneous debit has resulted in a financial loss to the customer by way of reduction in the minimum balance, applicable for payment of interest on saving bank deposit or payment of additional interest to the Bank in a loan account, the Bank will compensate the customer for such loss.
- 06.03. 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 i.e. Refund of cheque return charges plus an amount equivalent to interest calculated on the unauthorized erroneously debited amount at applicable savings rate.
- 06.04. In case verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank will arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of the erroneous debit. In case, the verification involves a third party, the Bank will strive to complete the verification process within a maximum period of one month from the date of reporting of the erroneous transaction by the customer.
- 06.05. The Bank reserves its right to debit the account for reversing the amounts in case a wrong credit is posted to a customer's account without payment of any compensation.

07. REVERSAL OF ERRONEOUS DEBITS ARISING ON ACCOUNT OF FRAUDULENT TRANSACTIONS.

- 07.01. In case of any fraud, if the Bank establishes the fact that an irregularity / fraud has been committed by its staff towards any constituent it will acknowledge its liability and will restore the amount and also pay compensation at saving bank interest on the restored amount.
- 07.02. In cases where neither the Bank nor the customer is at fault, but the fault lies elsewhere in the system and the customer, by providing proper supporting documents establishes that a loss has been incurred, the Bank will restore the erroneously debited amount.

08. REVERSAL OF ERRONEOUS DEBITS ARISING ON ACCOUNT OF FRAUDULENT UNAUTHORIZED ELECTRONIC BANKING TRANSACTIONS.

- 08.01. The detailed separate policy in this respect has been formulated.





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09. HARMONIZATION OF TURN AROUND TIME (TAT) AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORIZED PAYMENT SYSTEMS.

- 09.01. Reserve Bank has put in place a framework on Turnaround Time (TAT) for resolution of customer complaints and compensation framework across all authorized payment systems which will result in customer confidence and bring in uniformity in processing of the failed transactions.
- 09.02. The prescribed TAT is the outer limit for resolution of failed transactions.
- 09.03. The bank and other operators / system participants shall endeavor towards quicker resolution of such failed transactions.
- 09.04. Wherever financial compensation is involved, the same shall be affected to the customer's account suo moto, without waiting for a complaint or claim from the customer. TAT details are as under:-

(Note-T is the day of transaction and refers to the calendar date and R is the day on which the reversal is concluded, and the funds are received by the issuer / originator)

Sr. No.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
1	Automated Teller Machines (ATMs) including Micro-ATMs		
	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	Rs.100/- per day of delay beyond T + 5 days, to the credit of account holder.
2	Card Transaction.		
	a. Card to card transfer Card account debited but the beneficiary card account not Credited.	Transaction to be reversed (R) Latest within T + 1 day, if credit is not affected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1day.
	b. Point of Sale (PoS) (Card Present) including Cash at PoS Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5days.	₹ 100/- per day of delay beyond T + 5days.
	c. Card Not Present (CNP) (ecommerce) Account debited but confirmation not received at merchant's system.	Auto-reversal within T + 5days.	₹ 100/- per day of delay beyond T + 5days.
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	₹100/- per day if delay is beyond T + 1 day.





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		T + 1 day.	
	b. Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5days.	₹100/- per day if delay is beyond T + 5 days.
5	Aadhar Enabled Payment System (including Aadhar Pay)		
	a. Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
	b. Account debited but beneficiary account not credited.		
6	Aadhar Payment Bridge System (APBS)		
	a. Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7	National Automated Clearing House (NACH)		
	a. Delay in crediting Beneficiary's account or reversal of amount.	Beneficiary bank to reverse The unaccredited 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.

10. NACH/ACH DIRECT DEBITS / STANDING INSTRUCTIONS / OTHER DEBITS TO ACCOUNTS.

10.01. The Bank will undertake to carry out NACH/ ACH direct debits/ Standing Instructions of customers within the prescribed time subject to the following:-

10.01.01. Customer having already provided valid and complete mandate to accept any debit received through NACH/ACH.

10.01.02. Customer having already submitted a mandate for Standing Instructions.

10.01.03. Direct Debit NACH/ACH received is complete and correct.

10.01.04. Customer has sufficient balance in the account at the time of executing direct debits/ standing instructions/NACH/ACH.

10.02. In case of failure to carry out the instructions or delayed compliance, subject to the aforesaid clauses, and for reasons directly attributable to the Bank, the Bank will compensate the customers as under-

10.02.01. **For NACH/ACH direct debits** – the Bank will compensate the customer at the savings bank interest rate for the period between the due date of NACH/ACH direct debit and the date of actual debit carried out by the Bank on the amount to be debited. The Bank will also reimburse the customer to





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the extent of any penal interest, late payment charges levied by the debit NACH/ACH originating Bank, upon producing evidence of the same.

10.02.02. **For Standing Instructions** – Bank shall compensate the customer to the extent of the financial loss not exceeding Rs.100/- per occasion subject to providing proper supporting documents for having incurred the loss. In addition, the service charges, if any recovered for execution of the Standing Instruction shall also be refunded. In the event the Bank fails to meet such commitments, the 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.

11. DEBITS TOWARDS SERVICE CHARGES.

- 11.01. The Bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the Bank and displayed on the Bank's notice board.
- 11.02. 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 the agreed terms and conditions.
- 11.03. Any consequential financial loss by way of loss of saving bank interest on account 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 or any charges levied for the balance falling below the minimum balance requirement or any charges levied for return of cheques due to shortfall in balance, will also be compensated to the customer.

12. CHANGES IN TERMS AND CONDITIONS.

- 12.01. Changes in the terms and conditions will be communicated to the customers.
- 12.02. If any change is made in the fees/charges without any notice, then the customers would be given 30 days to accept the change and if such change is to the disadvantage of the customer then the customer may within 60 days and without notice close the account and switch over without having to pay any extra charges or interest.

13. PAYMENT OF CHEQUES AFTER STOP PAYMENT INSTRUCTIONS.

- 13.01. The instructions for Stop Payment will be accepted at any of the branches.
- 13.02. In case a cheque has been paid after a stop payment instruction is acknowledged by the Bank, the Bank shall reverse the transaction and give value-dated credit to protect the interests of the customer.
- 13.02.01. Such debits will be reversed within 2 working days of the customer intimating the transaction to the Bank.
- 13.02.02. In such cases, the Bank shall compensate the customer to the extent of direct financial loss, if any, by way of loss of savings account interest on account of reduction in the minimum balance applicable for payment of interest on saving bank deposit or payment of additional interest in a loan account or any charges levied for reason of balance falling below minimum balance requirement or any charges levied for return of cheques due to shortfall in balance.

14. DELAY IN CLEARANCE OF LOCAL CHEQUES / OUTSTATION CHEQUES.

- 14.01. The separate policy formulated on "CHEQUE / NEGOTIABLE INSTRUMENTS AND BILLS COLLECTION"

15. DELAY IN CREDIT/ RETURN OF NEFT/ RTGS / NACH/ ACH TRANSACTIONS.

- 15.01. **NACH / ACH-Credit.**





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15.01.01. The Bank will pay penal interest at saving bank interest rate from the due date of credit till the date of actual credit for any delayed credit to the beneficiary's account.

15.01.02. Penal interest shall be credited to the beneficiary's account, even if no claim is lodged.

15.02. NEFT/ RTGS

15.02.01. In the event of any delay or loss on account of error, negligence or fraud on the part of an employee of the Bank in the completion of funds transfer pursuant to receipt of payment instruction leading to delayed payment to the beneficiary, the Bank will pay compensation as per saving bank interest for the period of delay for credit to the beneficiary's account.

15.02.02. In the event of delay in return of the fund transfer instruction for any reason whatsoever, the Bank shall refund the amount together with interest at the rate of saving bank interest.

15.02.03. During the NEFT / RTGS operating hours, originating bank should endeavor to put through the requests for NEFT / RTGS transactions received by them, either online or across the counters, preferably in the next available batch but, in any case, not exceeding two hours (from the business hours next day), from the time of receipt of the requests. In the likelihood of any delay / possible delay in adhering to this requirement, the customers should be informed of the delay / possible delay and the reasons for the same.

16. RETURN OF ALL SECURITIES / DOCUMENTS / TITLE DEEDS OF MORTGAGED PROPERTY.

16.01. The Branch will return all the securities / documents / title deeds of the mortgaged property within 30 days of the repayment of all dues agreed to or contracted.

16.02. If any right to set off is to be exercised for any other claim, the Bank will give due notice with full particulars about the other claims and retain the securities / documents / title to mortgaged property till the relevant claim is settled / paid.

16.03. In case of any failure to comply with these and if it is directly attributable to the Bank, the Bank will compensate the customer to the extent of the financial loss not exceeding Rs. 5000.00 per day.

16.04. In case of loss/damage to original movable / immovable property documents, either in part or in full, the Bank shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, Bank will take an additional time of 30 days to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

17. CHEQUE / INSTRUMENTS LOST IN TRANSIT / IN CLEARING PROCESS.

17.01. The separate policy "CHEQUE / NEGOTIABLE INSTRUMENTS AND BILLS COLLECTION POLICY.

18. ISSUANCE OF DUPLICATE DEMAND DRAFT.

18.01. The Bank will issue duplicate demand drafts in lieu of a lost demand draft, on the basis of a request from the purchaser, indemnity and confirmation from the beneficiary.

18.02. The issuance of such duplicate drafts will be within a fortnight of the receipt of the necessary documents at the branch.

18.03. For any delay caused by the Bank in issuing a duplicate draft beyond the above stipulated period, the Bank will pay interest at the rate applicable for a fixed deposit of corresponding maturity in order to compensate the customer for such a delay.



