

The Visakhapatnam Cooperative Bank Ltd  
Central Office :: Visakhapatnam

# Customer Compensation Policy

# Customer Compensation Policy

## **1.Preamble**

The objective of Customer Compensation Policy is to establish a system where by the Bank compensates the customer due to deficiency of service by the Bank or any omission or commission attributable to the Bank.

## **2.Scope**

This policy extends to all the customers of the Bank and all the Officers and delivery channels of the Bank

## **The Policy**

### **1.Un-authorized / erroneous debit to the account**

1. If the Bank has raised any un-authorized / erroneous debit to any account the same will be reversed on being notices with value date.
2. Interest loss, if any, suffered by the customer due to such un- authorised debit will be compensated.
3. In case the customer suffers any other loss or damage due to such un-authorized debit, the same will be examined in an un-biased manner and suitable compensation will be considered on case to case basis.

### **2.ECS Debits / Direct Debits to the Accounts**

1. Bank will execute all the ECS instructions with diligence within reasonable time. In case of failure, Bank will compensate the customer for loss incurred by him on account of such failure.

### **3.Payment of Cheques after receiving of Stop Payment Instructions / Not recording ATM Blocking Instructions.**

- 1) In case a cheque is passed after acknowledgement for its stop payment or Debit Card is not blocked after receiving instructions for its blocking, bank will reverse the debit on account of the stopped cheque or blocked Debit Card, with value date and compensate for the interest loss if any suffered by the customer.

### **5.Compensation for Loss of cheques received for collection / clearance**

1. In the event a cheque or an instrument accepted for collection is lost in transit or in clearing process or lost by the Service Provider ( in case of CMP), the Bank shall immediately, on coming to know of the loss of instrument, bring the same to the notice of the account holder so that the account holder can inform the drawer to record stop payment and also take care that cheques, if any,



issued by him / her are not dishonored due to non-credit of the amount of the lost cheque / instrument. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

2.. The Bank would also compensate the customer for any reasonable charges which he / she incurs in getting duplicate cheque / instrument upon production of receipt, in the event the instrument is to be obtained from a Bank / institution who would charge a fee for issue of duplicate instrument, subject to a maximum of Rs. 250/-.

#### **6.. Compensation for wrongful dishonour of cheques / ECS / SI:**

In case of complaints received from the customers for wrongful dishonor of cheques / ECS / SI, the Bank shall take appropriate steps to investigate the reason for such lapses and shall communicate to the customer within 7 working days from the date of receipt of complaint. Otherwise, the Bank may compensate the customer suitably for financial loss as decided by the Bank with minimum of Rs.100/- per day for the period of delay, subject to a maximum of Rs. 1,000/-, wherever justified.

#### **7.SMS Alerts**

- a) All customers should register for SMS alerts so that the details of transactions will be notified to them through SMS. In case of any unauthorized transaction, customer should bring the same to the notice of Bank immediately so that corrective action can be initiated.

#### **8.Sharing of Vital Information**

- I. If the customer shares vital information like Pass Word, OTP, Credit Card details etc, and incurs any loss, entire loss is to be born by the customer

#### **9. Delay in clearance of Local Cheques**

- A. A cheque deposited in the drp box or tendered in clearing in the branch before the cut of time will be credited to the account on T+2 basis. If the credit is delayed beyond that period, interest at the rate of savings bank will be paid for delayed period..

#### 10.Compensation in respect of Electronic Transactions.

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

S I. 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.
S I. no.	Description of the incident	Timeline for auto-reversal	Compensation payable
		III	IV
5 Aadhaar Enabled Payment System (including Aadhaar Pay)			
a	Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
b	Account debited but beneficiary account not credited.		
6 Aadhaar Payment Bridge System (APBS)			
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7 National Automated Clearing House (NACH)			
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited despite revocation of debit mandate with the bank by the customer.	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day.	

8 Prepaid Payment Instruments (PPIs) – Cards / Wallets			
a	<u>Off-Us transaction</u> 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	<u>On-Us transaction</u> 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.

#### 11.. Limited Liability Of the Customer

1. Customer will have Zero Liability, where the unauthorised transaction occurs on account of :Contributory fraud / negligence/ deficiency on the part of the Bank (irrespective of whether or not the transaction is reported by the customer)
2. 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 three working days of receiving the communication from the Bank (by SMS alert, email or letter) regarding the unauthorized transaction.

#### 12 Liability of the Customer

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:



1.1..A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the Bank. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the Bank

1.2 In cases where the responsibility for the Unauthorized Electronic Banking Transaction lies neither with the Bank nor with the Customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the Bank) on the part of the Customer in notifying the Bank of such a transaction, the per transaction liability of the Customer shall be limited to the transaction value or Rs.5000.00 whichever is less

II.In cases where the responsibility for the Unauthorized Electronic Banking Transaction lies neither with the Bank nor with the Customer, but lies elsewhere in the system and when there is a delay of more than seven working days after receiving the communication from the Bank) on the part of the Customer in notifying the

Bank of such a transaction, TOTAL LIABILITY WILL BE ON  
THE CUSTOMER

13. On the issues not covered by the policy, the board has got powers to take decision having regard to the facts of each case and depending on the circumstances.

14. The policy is subject to review at periodical intervals.

**Chief Executive Officer**