

Customer Relations Policy

1. Introduction

With the advent of electronic banking, customer's experience of banking is no longer fully under the control of the bank. Fraudsters constantly using more diverse and complex fraudulent tricks using advanced technology and social engineering techniques to commit the frauds. Spreading awareness among customers has become imperative. Continual education and timely information provided to customers will help them to understand security requirements and take appropriate steps in reporting security problems.

Taking into account the risks arising out of unauthorized debits to customer accounts owing to customer negligence / bank negligence / banking system frauds / third party breaches, through this policy bank has defined the rights and obligations of customers in case of unauthorized transactions in specified scenarios.

The policy is designed to cover areas relating to unauthorized debiting of account, RTGS/NEFT remittances within India, mobile banking transactions, ATM transactions, Internet Banking transactions etc. The policy is based on principles of transparency and fairness in treatment of the customers.

The objective of the policy is to establish a system, whereby the customer is compensated for the financial loss due to deficiency in service or an act of omission or commission directly attributable to the Bank. The customer, as far as possible, will be compensated without having to ask for it.

The Policy covers only compensation for financial losses which customer might incur due to deficiency in the services offered by the bank which can be measured directly and as such the commitments under the 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 as per law.

2. Strengthening of systems and procedures

Broadly, the electronic banking transactions can be divided into two categories:

- a) Remote/ online payment transactions (transactions that do not require physical payment instruments to be presented at the point of transactions e.g. internet banking, mobile banking, card not present transactions) and
- 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.)

The systems and procedures in bank are designed to make customers feel safe about carrying out electronic banking transactions. To achieve this, bank has put in place:

- Appropriate systems and procedures to ensure safety and security of electronic banking transactions carried out by customers
- A system of continually and repeatedly advising customers on how to protect themselves from electronic banking and payments related fraud

3. Reporting of unauthorised transactions by customers to banks

Reserve Bank of India has instructed that banks must ask their customers to mandatorily register for SMS alerts for electronic banking transactions. The SMS alerts shall mandatorily be sent to the customers. The customers have been advised to notify their bank of any unauthorised electronic banking transaction immediately after the occurrence of such transaction, and informed that the longer the time taken to notify the bank, the higher will be the risk of loss to the bank/ customer.

To facilitate this, bank is providing customers with 24x7 access through multiple channels (at a minimum, via website, SMS, e-mail, reporting to home branch, etc.) for reporting unauthorised transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.

The communication systems used by bank to send alerts and receive their responses thereto will record the time and date of delivery of the message and receipt of customer's response, if any, to them. This shall be important in determining the extent of a customer's liability.

Bank may not offer facility of electronic transactions to customers who do not provide mobile numbers to the bank. On receipt of report of an unauthorised transaction from the customer, bank will at the earliest take steps to prevent further unauthorised transactions in the account.

4. Limited Liability of a Customer

(a) Zero Liability of a Customer

A customer's entitlement to zero liability shall arise where the unauthorised transaction occurs in the following events:

- ❖ Contributory fraud/ negligence/ deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- ❖ 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 regarding the unauthorised transaction.

(b) Limited Liability of a Customer

A customer shall be liable for the loss occurring due to unauthorised 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 unauthorised transaction to the bank. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the bank.
- In cases where the responsibility for the unauthorised 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 the amount mentioned

in Table 1, whichever is lower.

Table 1	
Maximum Liability of a Customer	
Type of Account	Maximum liability
• All SB accounts	Rs. 10,000
• Current/ Cash Credit Type/ Overdraft Accounts of MSMEs	
• Current Accounts/ Cash Credit Type/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs.25 lakh	
• All other Current/ Cash Credit Type/ Overdraft Accounts	Rs. 25,000

Further, if the delay in reporting is beyond seven working days, the customer liability shall be decided as per the discretion of the Bank.

Overall liability of the customer in third party breaches where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarized in the Table 2 as follows:

Table 2	
Summary of Customer's Liability	
Time taken to report the fraudulent transaction from the date of receiving the communication	Customer's liability (in 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	Will be decided as per the discretion of the Bank

The number of working days mentioned in Table 2 shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

5. Reversal Timeline for Zero Liability/ Limited Liability of customer

On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorised electronic transaction 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 the unauthorised transaction.

Further, bank shall ensure that:

- a complaint is resolved and liability of the customer, if any, established within such time, as may be specified by the bank, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions above
- where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as mentioned in the policy is paid to the customer and
- In case of debit card/ bank account, the customer does not suffer loss of interest

6. Policy Revision

This policy is subject to revision based on the extant RBI guidelines from time to time.
