



# **CUSTOMER COMPENSATION POLICY**

2023

<b>Section</b>	<b>Subject</b>	<b>Page</b>
1	Introduction	3
2	Guiding Principles	3
3	Policy	3
3.1	Unauthorized / Erroneous Debit	3
3.2	Direct debits/electronic payments (RTGS/NEFT)/other debits to accounts	4
3.3	Payment of Cheques after Stop Payment Instructions	8
3.4	Foreign Exchange Services (Foreign Currency Cheque Collections)	8
3.5	Domestic Cheque Collections	8
3.6	Compensation for instruments lost in transit	9
3.7	Fixed Deposits	9
3.8	Issue of Duplicate Demand Draft	9
3.9	Violation of the Code by banks agent	9
3.10	Not acting on investment and redemption slips	9
3.11	Return of Documents on Repayment of Loan	10
3.12	Delay in affording credit and/ or return of transactions	10
3.13	Delay in crediting failed ATM transactions	11
3.14	Reversal of Erroneous/ unauthorized debits on account of fraudulent transactions on debits cards/ mobile banking/ internet banking/credit cards	12
3.15	Compensation Related to Lockers	15
3.16	Force Majeure	16
3.17	Actual/ Direct loss	16
3.18	Full and Final Settlement	16
3.19	Redressal of Complaints and Grievances	16
4	Governance	17
4.1	Ownership and Approving Authority	17
4.2	Review	17

## **1 Introduction**

The objective of this policy is to establish a system whereby the bank compensates the customer for any financial loss customer 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 or third-party breach where deficiency is neither with bank nor with the customer or any breach due post reporting of unauthorized debit by customer. This Customer Compensation policy of the bank is therefore, designed to cover areas relating to unauthorized debiting of account, payment of interest to customers for delayed collection of cheques/instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, remittances outside India, foreign exchange services, lending, pre-paid instruments, ATM cash withdrawal, frauds arising out of unauthorized electronic banking transactions which is not backed by One-Time Password (OTP) or 2 factor Authentication (2FA), etc. The scope of the document is limited to DBIL.

## **2 Guiding Principles**

The policy is based on principles of transparency and fairness in the treatment of customers. 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 or third party specifically in case of unauthorized Electronic Banking transactions which is not backed by OTP or 2FA, 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. Policy is guided by the changes to regulation released by RBI and other pertinent authorities and regulators.

## **3 Policy**

### **3.1 Unauthorized / Erroneous Debit**

If the bank has raised an unauthorized/erroneous direct debit to an account, the entry will be reversed immediately on being informed by the client or through internal finding 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 any actual interest loss incurred by the customer (compensation will be calculated basis date of transaction and not date of reporting). 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 on a best-effort basis shall complete the verification process within a maximum period of one month from the date of reporting of erroneous transaction by the customer. In the event the third party does not for any reason reciprocates or delays are caused beyond all efforts put in by the bank, then such delay shall be excluded from the period of one month stated above and the bank may approach the customer for any assistance that is required to resolve the same. Unauthorized 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 the card association.

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. For reversal of wrong credit posted by DBS, no

consent of customer is required. However, for reversing the amounts in case of wrong credit entirely due to an error on the part of a third party, prior consent of the customer is required to do such reversal.

### **3.2 Direct debits/NACH debits/ electronic payments (RTGS/NEFT/ IMPS/ UPI)/other debits to accounts**

The bank will undertake to carry out direct debit / Standing instructions/ ECS or NACH debit instructions of customers on time. In the event the bank fails to meet such commitments the customer will be compensated to the tune of the banking charges that he may have to face from another bank due to the delayed credit provided sufficient balance is available in the account of the customer on the date of debit and a valid debit mandate/ standing instruction has been registered with the Bank. This policy will cover charges levied only on the account that the credit was to go into, and not for any other issues thereof. Electronic payments such as RTGS / NEFT / IMPS / UPI will be governed by the applicable terms and conditions communicated to the customer.

The Bank would debit the customer's account with any applicable service charge as per the tariff schedule/schedule of charges notified by the Bank. Where a service charge is inadvertently erroneously levied, the Bank will reverse the erroneous entry within 7 working days of the Bank receiving communication in this regard from the customer subject to scrutiny of terms and conditions and such other terms and conditions as may be communicated from time to time.

The compensation would be restricted to direct and actual financial loss in terms of interest or penalties levied due to 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 any actual interest loss incurred by the customer or penalties charged for non-maintenance of minimum balance due on saving / current accounts / or any other corporate accounts. Unauthorized 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.

#### **Issuance/ Activation of credit card without customer consent**

Unsolicited loans or other credit facilities should not be offered to the credit card customers. In case an unsolicited credit facility is extended without the consent of the recipient and the latter objects to the same, the Bank shall not only withdraw the credit limit, but also be liable to pay such penalty as may be considered appropriate.

Any loss arising out of misuse of unsolicited cards will be the responsibility of the Bank and the person in whose name the card has been issued cannot be held responsible for the same.

Where it is established that the bank had issued and activated a credit card without consent of the recipient, the bank will reverse the charges immediately along with payment of penalty, if any, in line with the regulatory guidelines from time to time.

#### **Unsuccessful or 'failed' transactions**

Compensation would be given to the customer for unsuccessful or 'failed' transactions. Failure could be on account of various factors not directly attributable to the customer such as disruption of communication links, non-availability of cash in ATMs, time-out of sessions, non-credit to beneficiary's account due to various causes, etc.

However, the bank won't be liable to compensate the customer in case of delay in RTGS/ NEFT/ NACH transaction if the delay is caused by any of the following reasons:

- Account has been frozen
- Account has been inactive
- Account is dormant
- Beneficiary name mismatch due Incorrect beneficiary name provided by the customer.
- Incorrect clearing code
- NR –
  - Non-NRE payer trying to credit NRE customer
  - Inward credit to NRO account
  - Source of funds not provided
- Any other valid Business reason
- Corporate customers utilize structured cash/trade/FX/loan solutions from the bank hence corporate customers will be considered for compensation if the delay exceeds T+1 business days where T is the date of transaction.

Below guidelines specify how the bank would calculate the compensation amount:

#### **RTGS**

In case of any delay in returning the failed payment beyond the time period of 2 hours, the originating customer is eligible to receive compensation at current repo rate plus 2%.

The customer can contact his / her bank / branch if there is an issue of delay / non-credit to the beneficiary account. If the issue is not resolved satisfactorily, complaint may be lodged at email or by post at following address giving UTR number and details of the issue -

The Chief General Manager  
Customer Education and Protection Department  
Reserve Bank of India  
1st Floor, Amar Building  
Sir P. M. Road, Mumbai,  
400 001  
[cgmcepd@rbi.org.in](mailto:cgmcepd@rbi.org.in)

Note: Above contact details are given basis the RBI FAQs on RTGS System available at –  
[https://www.rbi.org.in/scripts/FS\\_FAQs.aspx?Id=65&fn=9](https://www.rbi.org.in/scripts/FS_FAQs.aspx?Id=65&fn=9)

#### **NEFT**

If the NEFT transaction is not credited or returned within two hours after batch settlement, then the bank is liable to pay penal interest to the affected customer at the current RBI LAF Repo Rate plus two percent for the period of delay / till the date of credit or refund, as the case may be, is afforded to the customers' account without waiting for a specific claim to be lodged by the customer in this regard.

In case of any dispute/complaint, the customer may approach the grievance redressal cell of the Bank with details of the disputed transaction. Details are available at:

<https://www.dbs.com/in/treasures/common/redressal-of-complaints-and-grievances.page>

Details of customer facilitation centre for NEFT is given at:

<https://www.dbs.com/in/treasures/rtgs-neft-customer-facilitation-centre.page>

In case the grievance is not resolved within 30 days, the customer may make a complaint under “The Reserve Bank-Integrated Ombudsman Scheme (RB-IOS, 2021)”. The RB-IOS, 2021 provides a single reference point for customers to file complaints against the RBI regulated entities specified therein. The RB-IOS, 2021 is available at the following path on the RBI website:

[https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021\\_121121.pdf](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121.pdf)

Complaints can be filed online on <https://cms.rbi.org.in> , or through the dedicated e-mail [crpc@rbi.org.in](mailto:crpc@rbi.org.in) or sent in physical mode to the ‘Centralized Receipt and Processing Centre’ (CRPC) set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh – 160 017 in the format given at the following path - [https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021\\_121121\\_A.pdf](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121_A.pdf). A toll-free number – 14448 (9:30 am to 5:15 pm) – is also available for customers to seek assistance in filing complaints and information on grievance redressal, with multi-lingual support.

Note: Above contact details are given basis the RBI FAQs on NEFT System available at:

[https://www.rbi.org.in/scripts/FS\\_FAQs.aspx?Id=60&fn=9](https://www.rbi.org.in/scripts/FS_FAQs.aspx?Id=60&fn=9)

#### IMPS/UPI/NACH/APB:

<b>1</b>	<b>Aadhaar Payment Bridge System (APBS)</b>		
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.

<b>2</b>	<b>Immediate Payment System (IMPS)</b>		
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.

<b>3</b>	<b>Unified Payments Interface (UPI)</b>		
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.
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<b>4</b>	<b>National Automated Clearing House (NACH)</b>		
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.	

In the above grid, the T+1/ T+5 has to be used in context of calendar day as per RBI communication.

It may be noted that:

- \* the prescribed TAT is the outer limit for resolution of failed transactions; and
- \* the banks shall endeavour towards quicker resolution of such failed transactions.

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.

However, the bank won't be liable to compensate the customer in case of delay in UPI/ IMPS transaction if there is a delay due to operational/ technical issues at eco-partner's end (e.g., NPCI).

NPCI has automated compensation calculation in IMPS/ UPI Portals for delay in marking of return of funds.

- For delay in return from DBS (as beneficiary), NPCI will debit DBS as a part of settlement and pass on compensation to remitter bank. In this case, compensation from DBS' pocket will be to remitting bank customer (and not DBS customer).
- For delay in return from counterparty bank (as beneficiary where DBS is remitter), NPCI will debit the other bank and pass on compensation to DBS. In this case, compensation from another bank's pocket will be passed on to DBS customer.

Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman of Reserve Bank of India.

**Unsolicited Cards:**

The person in whose name the card is issued can also approach the Banking Ombudsman who would determine the amount of compensation payable by the bank to the recipient of the unsolicited card as per the provisions of "The Reserve Bank-Integrated Ombudsman Scheme (RB-IOS, 2021)".

### **3.3 Payment of Cheque after Stop Payment Instructions**

In case a cheque has been paid after stop payment instruction is acknowledged by the bank, the bank shall investigate the matter carefully and in case there were no contradictory instructions received by the Bank, the bank shall reverse the transaction and give value-dated credit within 2 working days of the customer intimating the transaction to the Bank. Any consequential financial loss to the customer will be compensated as provided under Para 3.1 above. In case of any overriding factor, the payment will be made at the discretion of the Bank, based on the transactional history of the customer.

### **3.4 Foreign Exchange Services (Foreign Currency Cheque Collections)**

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. 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 banks. The compensation in such cases will be worked out as follows: - Interest for the delay in crediting proceeds as detailed in the Cheque Collection Policy of the Bank  
- Compensation for any possible loss because of adverse movement in foreign exchange rate

### **3.5 Domestic Cheque Collections**

As part of the customer compensation policy, the bank will pay interest to its customers on the amount of collection instruments (local/ outstation cheques) in case there is a delay in giving credit beyond the time specified in the Bank's cheque collection policy. Such interest will be paid without any claim being made from customers. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for payment of interest on delayed collection. Interest for delayed collection shall be paid at the following rates:

- a) Domestic Saving Bank Rate for the period of delay beyond 3 working days in case of local cheques.
- b) Domestic Savings Bank rate for the period of delay beyond 3 working days in collection of outstation cheques payable at CTS Centres and 10 working days in non-CTS Centres.
- c) Where the delay is beyond 14 working days, the interest will be paid at the rate applicable to domestic term deposits for the respective period (*rates applicable for domestic term deposits with premature withdrawal facility*).
- d) In case of extraordinary delay, i.e., delays exceeding 90 calendar days, the interest will be paid at the rate of 2% above the corresponding Domestic Term Deposit rate (*rates applicable for domestic term deposits with premature withdrawal facility*).
- e) In the event the proceeds of cheque under collection were to be credited to an overdraft/loan account of the customer, the 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.
- f) For Credit Cards, wherever the credit card customer deposits the local cheque within 2 working days and the outstation cheques within 5 working days before the credit card payment due date, Bank will not levy any penalty or penal charges and consider the payment received within credit card payment due date in case of any delayed credit at Bank's end. However, in case of delayed credit for reasons at customer's end, the Bank will levy penalty or penal charges and levy interest as per Credit Card Terms & Conditions applicable for part payment or delayed payment as applicable.



### **3.6 Compensation for instruments lost in transit**

The Bank's customer compensation policy for financial loss suffered by the customer due to loss of instrument after it has been handed over to the bank for collection by the customer would also be indicated in the cheque collection policy. Bank would pay interest at domestic savings rates for the reasonable delays up to 10 working days on the amount of the lost cheque / instrument amount.

### **3.7 Fixed Deposits**

In case the bank fails to act on the customer instruction related to booking of Fixed Deposits even after receiving funds and instructions for the same, the Fixed Deposit for the customer will be booked with due value date as per instructions and funds received.

In case of maturity of these deposits, the bank will act as per the maturity instructions provided by the customer within the cut-off period for receiving these instructions. In case the Bank fails to act upon the instruction resulting 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 by reimbursing the actual charges and interest so levied to the customer.

### **3.8 Issue of Duplicate Demand Draft**

The Bank will issue a duplicate demand draft to the customer within a fortnight from the date of receipt of such request along with necessary documentation sought. In case of delay beyond this period, the Bank will pay interest at the fixed deposit rate applicable for the Corresponding maturity period (*rates applicable for domestic term deposits with premature withdrawal facility*). This would be applicable only in cases where the request of the duplicate demand draft drawn on the Bank is made by the purchaser and would not be applicable in case of third-party endorsements.

### **3.9 Violation of banks commitment by the agent**

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 Bank's Commitment to Customers, bank shall take appropriate steps to investigate the complaint and communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, will compensate the customer for actual financial losses in the banking transaction, on a case by case basis. This does not include any other expenses and indirect financial or non-financial losses incurred.

### **3.10 Not acting on investment and redemption slips**

If the bank fails to act on any investment or redemption slips submitted to the bank by a customer for onward processing to a Mutual Fund, the bank will compensate on the delayed amount, at the prevailing domestic savings bank rate, for the period over which the slip has been delayed.

In case the customer's application for the Sovereign Gold Bond (SGB) is rejected, the bank will make all attempts to refund the customer within T+1 working days. However, in case of a delay to refund the amount to the

applicant at Bank's end, the customers will be compensated at Repo rate + 2% for each day of delay. The compensation will be paid on the application investment amount.

### **3.11 Return of Documents on Repayment of Loan**

The Bank will return to the customer(s), all the securities / documents / title deeds related to the mortgaged property and/or the movable property kept as security (if any) within 30 calendar days of the repayment of all outstanding dues as per term of loan agreement and completion of other related formalities and documentation as per Bank's policy.

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 documents / title deeds related to the mortgaged property and/or movable property kept as security (if any) till the relevant claim(s) are settled / paid. In case there is any delay beyond 30 calendar days attributable to the Bank in return of documents / title deeds related to the mortgaged property and/or movable property kept as security (if any) after the full repayment / settlement of the loan and/or other claims, the Bank will pay compensation of Rs.5,000/- for each day of delay (*a day before the day of release of the securities / documents / title deeds*).

In case of loss/damage to original movable / immovable property documents, either in part or in full, the Bank shall assist the customer in obtaining duplicate/certified copies of the documents/title deeds related to the mortgaged property and the Bank shall bear the associated costs towards the same. Further in such cases, the Bank shall be liable to pay compensation as referred above only in case of delays beyond 60 calendar days after the full repayment / settlement of the loan and/or other claims.

In case of the deceased customer(s) owning the immovable property as security, upon repayment of all outstanding dues as per terms of Loan agreement and completion of other related formalities and documentation as per Bank's policy, the above compensation will be payable in case the Bank has not released the documents/title deeds related to the mortgaged property or has not satisfied its charge within the time period as defined above (30 or 60 calendar days) from the day the relevant documentation is submitted to the Bank's satisfaction.

Above compensation will also be payable in case the Bank does not remove charges registered with any registry on the movable / immovable property within the time period as defined above (30 or 60 calendar days as applicable).

### **3.12 Delay in affording credit and/ or return of transactions**

The Bank will compensate the customers for delay directly attributable to the Bank in affording credits of inward remittances like NEFT, RTGS or by any other means, received on behalf of the customers. For a delay in crediting NEFT/ NECS/ NACH transactions to the beneficiary beyond the timeline as per the procedural/ regulatory guidelines on account of error or negligence, the bank shall pay the customer penal interest at RBI LAF repo rate plus two percent. The penal interest shall be paid to the customer even if no claim is lodged by the customer to that effect.

For a delay in crediting RTGS to the beneficiary beyond the timeline as per the procedural/ regulatory guidelines, the bank shall pay the customer penal interest at the REPO rate prevailing at the date of transaction/return plus two percent per day. In case of a delay in the credit with the credit passed on the same day, compensation shall

be paid for one day. The penal interest shall be paid to the customer even if no claim is lodged by the customer to that effect.

In case, it is not possible to credit the funds to the beneficiary's account for any reason e.g. account does not exist, account frozen, etc., the funds will be returned to the originating member within one hour of the receipt of the payment at the Member Interface of the recipient member or before the end of the RTGS Business day for RTGS payments whereas for NEFT transactions the funds would be returned within 2 hours of receipt of payment at the member interface.

### 3.13 Delay in crediting failed ATM transactions

The bank will investigate and convey its decision on accepting or declining the request within 5 days from receipt of the customer complaint. In the event of delay in passing on the credit, compensation of Rs 100 per day of delay beyond T + 5 days, will be credited to the customer's account/Credit card automatically without any claim from the customer.

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
<b>1</b>	<b>Automated Teller Machines (ATMs)</b>		
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.

#### Course of action for the customer if the reversal and compensation are not carried by the bank

Customer may approach the grievance redressal cell of the Bank with details of the transaction. Details are available at:

<https://www.dbs.com/in/treasures/common/redressal-of-complaints-and-grievances.page>

In case the grievance is not resolved within 30 days, the customer may make a complaint under "The Reserve Bank-Integrated Ombudsman Scheme (RB-IOS, 2021)". The RB-IOS, 2021 provides a single reference point for customers to file complaints against the RBI regulated entities specified therein. The RB-IOS, 2021 is available at the following path on the RBI website:

[https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021\\_121121.pdf](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121.pdf)

Complaints can be filed online on <https://cms.rbi.org.in>, or through the dedicated e-mail [crpc@rbi.org.in](mailto:crpc@rbi.org.in) or sent in physical mode to the 'Centralized Receipt and Processing Centre' (CRPC) set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh – 160 017 in the format given at the following path - [https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021\\_121121\\_A.pdf](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121_A.pdf). A toll-free number – 14448 (9:30 am to 5:15 pm) – is also available for customers to seek assistance in filing complaints and information on grievance redressal, with multi-lingual support.

**Compensation applicable in Card Transaction:**

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
2	<b>Card Transaction</b>		
a	<b>Card to card transfer</b>	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 + 1 day.
	Card account debited but the beneficiary card account not credited.		
b	<b>Point of Sale (PoS) (Card Present) including Cash at PoS</b>		
	Point of Sale (PoS) (Card Present) including Cash at POS	Auto-reversal within T + 5 days.	100/- per day of delay beyond T + 5 days
	Account debited but confirmation not received at merchant location i.e., charge-slip not generated.		
c	Card Not Present (CNP) (ecommerce)		
	Account debited but confirmation not received at merchant's system.		

**3.14 Reversal of Erroneous/ unauthorized debits on account of fraudulent transactions on debits cards/ mobile banking/ internet banking/ credit cards**

The Bank shall not be liable to compensate claim which arises on the transaction which is followed by OneTime password or 2 Factor authentication (2FA). Such claim or claims shall be declined irrespective of the amount involved.

In addition to the above, the customer shall be liable for the loss occurring due to unauthorized transactions in cases where the loss is due to negligence by a customer, such as where he/she has shared the payment credentials and any other details related to the account which should not be shared – as conveyed in the terms and conditions and also as conveyed in client education efforts from time to time. The customer will bear the entire loss until he/she reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction, thereafter every loss is the bank's responsibility.

## Details of Liability of the customer in case of unauthorized transaction:

### Zero Liability of a Customer

1. A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:
  - i) Contributory fraud / negligence / deficiency on the part of the bank (irrespective of whether or not the transaction is 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 three working days of receiving the communication from the bank regarding the unauthorized transaction.

### Limited Liability of a Customer

2. A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:
  - i) In cases where the loss is due to negligence by a customer, such as where he/she has shared the payment credentials, the customer will bear the entire loss until he/she reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank.
  - 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 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 below Table, whichever is lower.

Table 1		
Maximum Liability of a Customer under Point 2 (ii)		
Type of Account		₹ Maximum liability ( )
*	BSBD / Small Accounts	5,000
*	All other SB accounts	10,000
*	Pre-paid Payment Instruments and Gift Cards	
*	Current / Cash Credit / Overdraft Accounts of MSMEs	

*	Current Accounts / Cash Credit / Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud) / limit up to Rs.25 lakh	
*	Credit cards with limit up to Rs.5 lakh	
*	All other Current / Cash Credit / Overdraft Accounts	25,000
*	Credit cards with limit above Rs.5 lakh	

3. Overall liability of the customer in third party breaches, as detailed in paragraph 1 (ii) and paragraph 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 (₹)
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in <u>Table 1</u> , whichever is lower
Beyond 7 working days	<b>*As per the clauses mentioned</b>

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.

#### **Reversal Timeline for Zero Liability / Limited Liability of customer**

4. On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorized 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). Banks may also at their discretion decide to waive off any customer liability in case of unauthorized electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorized transaction.
5. Further, banks shall ensure that:
- a complaint is resolved and liability of the customer, if any, established within such time, as may be specified in the Bank's approved policy on Complaints Handling Process, but not

- exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions of point 1 to 3 above;
- ii) where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in point 1 to 3 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.

Where Bank is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in paragraphs 1-5 would be paid to the customer.

**\*As per the clauses mentioned below** - All such suspect debits will be investigated by the Bank in conjunction with aligned procedures and law enforcing bodies wherever required. Depending on outcomes of such investigations on a case-to-case-basis.

- (i) In case of any fraud, if the Bank is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the branch shall at once acknowledge its liability and pay the claim.
- (ii) In cases where Bank is at fault, the Bank shall compensate the customer without objection only if transaction is not backed by OTP or 2 factors authentications or any of the case mentioned in the document.
- (iii) In cases where neither the Bank is at fault nor the customer is at fault but the fault lies elsewhere in the system, then the Bank shall compensate the customer up to 50% (not exceeding INR 5,000) of only the direct financial loss suffered by the customer. Such compensation would be paid only once in the lifetime of an account.

The Bank reserves the right to reject claims arising because of:

- Violation of terms and conditions for products and services offered by the Bank
- Non-adherence by the customer to various guidelines released by the Bank from time to time for ensuring safeguard of a client's account and instruments of transactions such as Debit/ATM/Credit Card, or other sensitive information etc.
- Customers must always ensure that they have updated their current contact details especially a working mobile number and email id to receive alerts promptly. Failure to keep such contact information with the Bank updated may result in the customer being held liable for any loss suffered because of misuse of ATM/Debit Cards/ Credit cards or any other electronic channel of Bank account transactions/access.
- No compensation shall be entertained or paid for any indirect or consequential loss arising out of the suspect or fraudulent transaction in question.

### **3.15 Compensation related to Lockers**

Bank has taken all steps for the safety and security of the premises in which the safe deposit vaults are housed. However, in the unfortunate instances where the loss of contents of locker are due to incidents like fire, theft/ burglary/ robbery, dacoity, building collapse occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission or attributable to fraud committed by its employee(s), the banks' liability shall be limited to an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

### **3.16 Force Majeure**

Force Majeure Event means acts of God, flood, drought, earthquake or other natural calamity or condition, disaster, epidemic or pandemic, terrorist attack, war or riots, nuclear, chemical or biological contamination, industrial action, power failure, computer breakdown or sabotage, and collapse of buildings, fire, explosion or accident or such other acts which are beyond reasonable control of the Bank.

Performance of obligations of the Bank shall stand suspended for as long as the Force Majeure Event or circumstance continues to make the performance impossible. On a best effort basis Bank is committed to take reasonable action(s) to minimize the consequences of a Force Majeure Event. In case of any industrial action, power failure, computer breakdown or sabotage, Bank shall take reasonable steps to reduce delay in provision of its services and endeavor to provide uninterrupted services to its customers.

Hence, the bank shall not be liable to compensate customers for delayed credits if these force majeure events (including damage to the bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation etc.) are beyond the control of the bank which prevents it from performing its obligations within the specified service delivery parameters.

### **3.17 Actual / Direct Loss**

The Bank shall be liable to compensate the customer only to extent of actual and direct loss (Specifically notional and indirect loss) under this customer compensation policy for various banking services including prepaid instrument service, provided that sufficient proof of loss being attributable to Bank is provided and shall be subject to absence of negligence on part of the customer.

### **3.18 Full and Final Settlement**

Once the Bank has paid compensation as said above, the same shall be construed as a "full and final settlement" and no further claim shall be entertained by the bank from the customer or anyone else.

### **3.19 Redressal of Complaints and Grievances:**

At DBS Bank India Limited, we want to make sure that you get only the best of service from us, service which you, our valued customer, deserve.

The Bank's Grievance Redressal policy follows the following principles:

- Customers are treated fairly at all times.
- Complaints raised by customers are dealt with courtesy and in a timely manner.
- Customers are informed of avenues to escalate their complaints within the organization, and their rights if they are not satisfied with the resolution of their complaints.
- The Bank employees work in good faith and without prejudice, towards the interests of the customers.

If, at any stage, you feel that our service levels are not up to your expectations, here is what you can do:

You can visit the Bank's grievance policy available on the Bank's website:

<https://www.dbs.com/in/treasures/common/redressal-of-complaints-and-grievances.page>



The grievance policy will help you with the contact details, timelines, and escalation levels for you to lodge your complaints. In case, you are not happy with the resolution provided by the Bank, the policy also guides you on the process and how to approach Banking Ombudsman

## **4 Governance**

### **4.1 Ownership and Approving Authority**

This Policy is approved by **DBS Bank India Limited Board**. Any changes that are not substantive, but incidental or administrative in nature, do not require a sign-off by the approving authority.

The Board, via this policy, **delegates the authority to India Head of Consumer Banking Group** to approve or delegate changes for CBG services and products.

### **4.2 Review**

This Policy should be reviewed once in three years (with a grace period of up to one month) or earlier in case changes are warranted earlier due to development in regulatory space or internal developments to ensure continued relevance

**Appendix 1      Version history**

<b>Version</b>	<b>Date of Issue</b>	<b>Summary of Key Changes</b>
1.0	Dec 2021	- Policy issued
2.0	June 2023	- Scenarios whereby Bank is not Liable to Compensate RTGS failed transaction time period updated - The review period - Version History