

AEBC 6.10 Customer Compensation Policy

The objective of this Compensation Policy is to establish a system whereby the Bank compensates the customer for any financial loss he/she might incur due to deficiency in service by the Bank or any act of omission or commission directly attributable to the Bank. By ensuring that the customer is compensated without having to ask for it, the Bank expects instances when the customer has to approach the Banking Ombudsman or any other forum for redressal to come down significantly.

1. Unauthorized action of the Bank leading to a financial loss to customer.

The Bank will compensate for any unauthorized actions of the Bank leading to financial loss to the customer. 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.

2. Erroneous Debits arising out of fraudulent/ other transactions

The liability of the customer arising out of any unauthorised transaction shall be nil if Bank receives the report within 3 working days of the Fraud, Provided the Customer has acted in good faith. If the Fraud is reported beyond 3 working days then the maximum liability of the customer will be limited to INR 1000. Post investigations and confirmation of the fraud, a permanent credit is applied on the customer’s account for all fraudulent transactions not done by the customer. The customer’s card may be replaced for cases which involve counterfeit cards or where the customer’s card number/details may have been compromised.

In the event a customer disputes certain transactions on their statement of accounts or amounts over-charged by a particular merchant or ATM withdrawals (except failed transactions), the same is set up as a disputed transaction where the customer is given an immediate temporary credit. The customer does not need to pay for the disputed transactions till such time the dispute is fully resolved. Basis supports received from the merchants and other investigations, a permanent credit is applied to the customer’s account if the disputed transaction is established not to have been incurred by the customer.

3. Compensation Framework for unsuccessful/Failed Transactions

Failed ATM transactions

In line with the RBI circular dated September 20, 2019, Bank will pro-actively reverse failed transactions within a maximum of T + 5 calendar days (T being the date of transaction), failing which a compensation of ₹ 100/- per day (beyond T + 5 calendar days) will be credited to the account holder.

Unsuccessful Card Transactions

In line with the RBI circular dated September 20, 2019, Bank will auto reverse unsuccessful transactions within a maximum of T + 5 calendar days (T being the date of transaction), failing which a compensation of ₹ 100/- per day (beyond T + 5 calendar days) will be credited to the account holder

Sl. 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 calendar days.	₹ 100/- per day of delay beyond T + 5 calendar days, to the credit of the account holder.
2.	Card Transaction		
a)	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 + 5 calendar days.	₹ 100/- per day of delay beyond T + 5 calendar days.
b)	Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system.	Auto-reversal within T + 5 calendar days.	₹ 100/- per day of delay beyond T + 5 calendar days.

4. Delayed credit to the customer

In case a complaint is received from the customer on delayed credit to customer accounts for any of the valid reasons, the Bank will pay interest at the prevailing deposit rates of State Bank of India or the prevailing term deposit rates of the AEBC India, whichever is higher. Merits of each case will be reviewed to establish the reason of delayed credits

5. Violation of Bank's Code by its Agents

It is Bank's commitment to act fairly and ethically in all its customer dealings either directly or through its

agents. For this reason the Bank has adopted a Fair Practice Code that governs the conduct of its agents and representatives. In case the Bank receives a customer complaint alleging improper behavior or misconduct by its agent, the Bank shall initiate an investigation and take necessary steps within 7 working days to redress the same. The Bank will also make good the financial loss incurred by the customer on account of the same.

6. Issue of unsolicited cards/Facilities

Unsolicited Cards

The issuance of unsolicited cards/upgradation is strictly prohibited. In case, an unsolicited card is issued/existing card upgraded and activated without the explicit consent of the customer and the latter is billed for the same, the Bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed. In addition, the person in whose name the card is issued can also approach the RBI Ombudsman who would determine the amount of compensation payable by the card-issuer to the recipient of the unsolicited card as per the provisions of the Ombudsman Scheme, i.e., for loss of complainant's time, expenses incurred, harassment and mental anguish suffered by him/her.

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

Issue of Unsolicited Facilities

Unsolicited loans or other credit facilities shall not be offered to the customer without seeking explicit consent. In case an unsolicited credit facility is extended without the written/explicit consent of the customer and the latter objects to the same, the Banks shall not only withdraw the facility, but also be liable to pay such penalty as may be considered appropriate by the RBI Ombudsman, if approached.

7. Closure of Credit Card

Subsequent to the closure of credit card, the customer shall be immediately notified about the closure. Customers shall be provided option to submit request for closure of credit card account through multiple channels. The Bank shall not insist on sending a closure request through post or any other means which may result in the delay of receipt of the request. Failure on the part of the Bank to complete the process of closure within seven working days shall result in a penalty of ₹500 per calendar day of delay payable to the customer, till the closure of the account provided there is no outstanding in the account.

8. Force Majeure

The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, 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 beyond the control of the bank) prevents it from performing its obligations within the specified service delivery parameters.