

CHAPTER-I

COMPENSATION POLICY 2024-25

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Abbreviations

Abbreviation	Description
AEPS	Aadhaar Enabled Payment System
APBS	Aadhaar Payment Bridge System
BANCS	Bell Administrative Communications System
CNP	Card not Present
CP	Card Present
CPP	Compromise Point and Period
CTS	Cheque Truncation System
CVV	Card Verification Value
DSA	Direct Selling Agent
ECS	Electronic Clearing Service
FEDAI	Foreign Exchange Dealers Association of India
IMPS	Immediate Payment System
IO	Internal Ombudsman
MPIN	Mobile Banking Personal Identification Number
NACH	National Automated Clearing House
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
ODR	Online Dispute Resolution
OTP	One Time Password
PIN	Personal Identification Number
POS	Point of Sale
PPI	Pre-paid Payment Instruments
PRD	Panel for Resolution of Dispute
PSO	Payment System Operator
PSP	Payment System Participant
RTGS	Real Time Gross Settlement
TAT	Turn Around Time
TPAP	Third Party App Providers
UPI	Unified Payments Interface
VBV	Verified By Visa
VBV/ MCSC	Verified by Visa/MasterCard Secure Code
VPA	Virtual Payment Address



OPERATION DEPARTMENT, CENTRAL OFFICE ANNEX - MANGALURU
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COMPENSATION POLICY 2024-25

1. Introduction:

The technology revolution in the payment and settlement system has caused qualitative changes in operational systems and processes. This in turn has enabled market forces of competition to come into play to improve efficiencies in providing better service to the users of the system. It will be the Bank's endeavor to offer services to its customers with best possible utilization of its technology infrastructure. Withdrawal of the Reserve Bank of India guidelines to commercial banks on time frame for collection of outstation cheques, payment of interest on delayed collection of outstation cheques/instruments, with effect from 1st November 2004, had offered the Bank further scope to increase its efficiency for better performance. The policy consists of latest RBI/IBA/Regulatory and statutory guideline till date.

2. Scope of the Policy:

The policy is applicable to all the Domestic Branches PAN India. This 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, foreign exchange services, lending, compensation for unauthorized Electronic transactions under customer protection-Limited Liability of Customer etc. The policy is based on principles of transparency and fairness in the treatment of customers.

3. Objective of the Policy:

The objective of this 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 on the part of the Bank or any act of omission or commission directly attributable to the Bank. By ensuring that the customer is compensated before he demands for it, the bank expects instances when the customer has to approach Banking Ombudsman or any other Forum for redressal to come down significantly.

4. Provisions of the Policy:

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.

5. Unauthorized/Erroneous Debit :

- 5.1 If the Bank has raised an unauthorized / erroneous direct debit to an account, the entry will be reversed immediately on being informed of the erroneous debit, after verifying the actual position/reasons for same.
- 5.2 In the event the unauthorized/erroneous debit has resulted in a financial loss for 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. 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.
- 5.3 Also 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. Whenever, there is a request from other bank, for reversal of proceeds of RTGS/NEFT due to error on their part, such request need to be verified from RBI Settlement Report i.e. Structured Financing Messaging System (SFMS), and on confirmation of error, proceeds need to be reversed.
- 5.4 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 or where verifications are to be done at overseas centers, the Bank shall complete the verification process within a maximum period of one month/30 days from the date of reporting of erroneous transaction by the customer.
- 5.5 Erroneous transaction reported by customer in respect of credit card operations which require reference to a merchant establishment will be handled as per rules laid down by card association.
- 5.6 Further, this provision, would not apply to recovery of legitimate bank charges by debit to the account, which is as per terms and conditions accepted by the customer and done only after the laid down process has been followed by the Bank. In case of non-availability of physical copy of charges/fees at the branch, it can be downloaded from the Bank's website and customer's concern can be immediately resolved. Banks website www.unionbankofindia.co.in have updated data on Banks policies, products, services, customer rights, compensation, grievance redressal etc., which can be used for the benefit of customers and stakeholders.

6. NACH/ECS/NECS direct debits/other debits to accounts:

- 6.1 The Bank will undertake to carry out direct debit/NACH/ECS/NECS debit instructions of customers in time. In the event the bank fails to meet such commitments, 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.
- 6.2 The Bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the Bank. In the event the Bank levies any charge, the Bank will reverse the charges when pointed out by the customer subject to scrutiny of agreed terms and conditions.

6.3 Credit Cards:

Where it is established that the bank had issued and activated a credit card without written consent of the recipient, the bank would reverse the charges immediately and also pay a penalty without demur to the recipient amounting to twice the value of charges reversed in this regard. Transactions reported as erroneous by customers in respect of credit card operations, which require specific reference to a merchant establishment will be handled as per chargeback rules laid down by RuPay /VISA / Master Card International. The bank will provide explanation and, if necessary documentary evidence to the customer within a maximum period of 60 days.

7. Payment of Cheques after Stop Payment Instructions:

In case a cheque has been paid after stop payment instruction is acknowledged by the Bank, the bank shall reverse the transaction and give value dated credit to protect the interest of the customer. Any consequential financial loss to the customer will be compensated as provided under point 5.2 above. Such debits will be reversed within next 2 working days of the customer intimating the transaction to the Bank.

8. Fraudulent collection of cheques under CTS:

If a cheque presented under CTS is fraudulently collected in the account maintained with our Bank, the Bank will immediately make payment of the disputed amount to the drawee/paying bank on being informed of the fraudulent collection, after verifying the position. The payment in such cases will be made on a case-to-case basis with the approval of competent authority/Official in Central Office.

9. Foreign Exchange Services:

Compensation for delayed payment of Clean Instruments is incorporated in FEDAI (Foreign Exchange Dealers Association of India) Circular No.SPL-05.BC/FEDAI Rules/2019 dated 11th March, 2019(updated up to 15 November 2020). It is mandatory for the Banks to follow the guidelines of FEDAI. In line with this circular the Bank would not compensate the customer for delays in collection of cheques under different currencies sent to different 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. Bank, however, may consider upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past.

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. Such compensation will be given for delays beyond one week from the date of credit to Nostro Account/ due date after taking into account normal cooling period stipulated. The compensation in such cases will be worked out as follows:

- a) Interest for the delay in crediting proceeds as indicated in the Collection Policy of the Bank.
- b) Compensation for any possible loss on account of adverse movement in foreign exchange rate.

9.1. Compensation for delayed payment in Foreign Exchange Transactions:

As per FEDAI Circular No.SPL-05.BC/FEDAI Rules/2019 dated 11th March, 2019(updated up to 15 November 2020), Authorised Dealers (ADs) shall pay or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of credit advice / Nostro statement. On receipt of disposal instruction complying with guidelines, required documents from the beneficiary the Bank shall transfer funds for the credit of beneficiary's account immediately but not exceeding 2 working days from date of such receipt.

In case of delay, the bank shall pay the beneficiary interest @ 2% over its savings bank interest rate. The bank shall also pay compensation for adverse movement of exchange rate, if any, as per its compensation policy specifying the reference rate and date applicable for calculating such exchange loss.

In case, the beneficiary does not respond within 5 working days from receipt of credit intimation as above and the bank does not return the remittance to the remitting bank, the bank shall initiate action to crystallize the remittance -

9.1.1 Bank notify due action to the remitting bank and the beneficiary

9.1.2 Bank shall crystallize the remittance within certain period as per their policy, not exceeding the time allowed for surrendering of foreign currency under any Statute or any other Regulation including RBI Directions.

10. Payment of Interest for delayed Collection / delayed Interest credit:

As part of the compensation policy, the Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period specified in Bank's cheque collection policy. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection.

Interest for delayed collection shall be paid at the following rates:

10.1 Savings Bank rate for the period of delay beyond T+2 days in collection of local cheques.

10.2 Savings Bank rate for the period of delay beyond T+6 days in collection of outstation cheques sent to Bank's own branches at other centers.

10.3 In case of cheques sent to other bank branches for collection where delay is beyond T+10 days interest will be paid at the rate applicable to term deposit for the respective period or Savings Bank rate, whichever is higher.

10.4 In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the corresponding interest rate mentioned above.

10.5 In the event the proceeds of cheque under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extra ordinary delays, interest will be paid at the rate of 2% above the rate applicable to the loan account.

11. Compensation for Loss of Instrument in Transit:

The bank's compensation policy towards financial loss suffered by the customers due to loss of instrument after it has been handed over to the bank for collection by the customer would also be as indicated in our "Policy on Collection of Cheques/Instruments & Dishonor of Instruments". The reasons of loss in transit and compensation payable is given here below:

11.1. Cheques / Instruments lost in transit / in clearing process or at paying bank's branch:

In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the Bank shall immediately on coming to know of the loss, bring the same to the notice of the account holder so that he/she 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 cheques / instruments. The Bank would provide all required reasonable assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

In line with the Compensation Policy of the Bank, the Bank will compensate the account holder in respect of instruments lost in transit in the following way:

- a. In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection i.e.
 - i. Cheques/ instruments drawn on one of our branches deposited at another center - Same day
 - ii. Cheques/instruments drawn on other bank and sent for collection to:
 - Centers where we have a branch - Maximum T+6 days

Centers where we do not have a branch:

Centers	Maximum Timeframe (in days)
State Capitals	7
Major Cities	10
Other Locations	14

- b. If the period (7/10/14 days as the case may be) exceeds, interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- c. In addition, Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- d. The Bank would also compensate the customer for any reasonable charges 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 if any for issue of duplicate instrument.

11.2. Fraudulent encashment of cheques lost in transit:

In case cheques sent for collection by our Bank are lost in transit and later on fraudulently encashed by collecting/presenting through other banks, the Bank will make payment of the disputed amount to the original payee who has not received the credit, on being informed of the fraudulent collection, after verifying the position and /or declaration of fraud as per

Bank's procedure. The payment in such cases will be made on a case-to-case basis with the approval of Competent Authority as mentioned in **Appendix-I**.

11.3. Compensation for loss of instrument in Transit in case of discounted cheques:

Where the cheque is lost after it is discounted, the Bank would bear all the costs for obtaining duplicate instruments but the customer will assist in obtaining duplicate instrument. However, Customers' liability under negotiable instrument act will not be extinguished till Bank receives the proceeds of the cheque.

12. Issue of Duplicate Demand Draft and Compensation for delays:

12.1 Duplicate Draft will be issued within a fortnight from the receipt of such request from the purchaser thereof provided all the required documentation as per Bank's procedure in vogue is completed and submitted by the Customer.

12.2 For delay beyond the above stipulated period, interest at the rate applicable for fixed deposit of corresponding period as existing during that point of time, will be paid as compensation to the customer for such delay.

12.3 It is clarified that the above instructions would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of draft endorsed to third parties.

13. Violation of the Code by Bank's 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 the Code of Bank's Commitment to Customers, which the bank has adopted, the bank is committed to investigate the matter and endeavor to communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, compensate the customer for, reasonable financial loss, if any, as contemplated under this policy.

14. Transaction of "At Par Instruments" of Co-operative Banks by Commercial Banks:

The RBI has expressed concern over the lack of transparency in the arrangement for payment of "At Par" instruments of co-operative banks by commercial banks resulting in dishonor of such instruments when the remitter has already paid for the instruments. In this connection it is clarified that the Bank will not honor cheques drawn on current accounts maintained by other banks with it unless specific arrangements are made/ entered into for funding cheques issued. Accordingly issuing bank should be responsible to compensate the cheque holder for non-payment/delayed payment of cheques in the absence of adequate funding arrangement.

15. Payment of penal interest for delays in Credit / Return of RTGS/ NEFT/NACH/ ECS/ NECS Transactions:

The Bank will pay interest to its customers on account of delay in credit / return of RTGS/ NEFT/ NACH/ECS/NECS transactions. The interest will be paid at current/prevaling RBI LAF Repo Rate plus 2 percent for the period of delay/till the date of refund as the case may be to the affected customers.

16. Compensation decided by Banking Ombudsman/ Consumer Forum/Internal Ombudsman (IO):

Nowadays in certain cases referred to Banking Ombudsman and Consumer Forum, banks have been ordered to pay compensation to complainants. With a view to settle compensation without delay and as per the Compensation Policy, Bank will pay compensation as decided by the Banking Ombudsman/Internal Ombudsman (IO)/Banking Ombudsman (BO)/Consumer Forum Cases, as per the delegation/ limit mentioned in **Appendix-I**.

Advisories by Banking Ombudsman: The payment in case of Advisories Issued by the Banking Ombudsman has to be made within 30 days without fail, by obtaining sanction from the respective Delegated Authority.

Awards by Banking Ombudsman: The Advisories if not paid within the stipulated time period, then, it becomes award. Banking Ombudsman may issue award against the bank, which reflects in the Bank's Balance Sheet, hence, utmost care needs to be taken to meet the advisory well in time.

17. Lenders liability; Commitment to borrowers:

Compensation for delay in release of Movable/Immovable Property Documents

As per RBI's direction vide Circular No. RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated 13.09.2023 -

- (i) In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction from with relevant registry beyond 30 days after full repayment/settlement of loan, the Bank shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Bank, it shall compensate the borrower at the rate of Rs.5,000/- for each day of delay.
- (ii) 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 at paragraph above. However, in such cases, as additional time of 30 days will be available to the Banks to complete this procedure and the delayed period penalty will be calculated thereafter (i.e after a total period of 60 days)
- (iii) The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

There will be no compensation paid to the Borrower(s) / Guarantor(s) in following circumstances:

17.1 Force Majeure events.

17.2 If there is delay on part of the Borrower(s) / Guarantor(s). For e.g: if any of the Borrower(s) / Guarantor(s) is not available or does not have required Identity Proof/or other required documents to prove that he/she is the same person.

17.3 If the Borrower(s) / Guarantor(s) have changed their residential / mailing address / phone numbers and have not intimated the bank and bank is not able to contact them for collection

of original title documents. (Intimation by way of phone, letter or email to any one of the Borrower(s) / Guarantor(s) will be deemed intimation to all Borrower(s) / Guarantor(s).)

17.4 In case the Bank receives any complaint/claim/demand from the Borrowers/Guarantors, Legal Heirs, Executors, Successors, Joint Owners/holders, etc. intimating the Bank about inter se disputes and/or not to hand over the title documents or hand over the same to particular persons, etc., then bank shall direct the parties to resolve their disputes and thereafter approach the Bank with a joint application signed by all concerned for release of such title documents or obtain necessary direction from Competent Authority/Hon'ble Court for a particular/specific course of action. Till such time and in such/similar circumstances, the Bank shall not liable to release the title documents to the Borrowers/Guarantors (as the case may be) and shall not be liable to pay any compensation to any party.

18. Framework for compensation to customers for delayed updation/rectification of credit information:

RBI vide its circular Ref.No. RBI/2023-24/72 DoR.FIN.REC.48/20.16.003/2023-24 dated 26.10.2023 has directed for implementing the compensation framework to the customers for delayed updation /rectification of credit information by Credit Institutions (Cis) and CICs by which the Complainants shall be entitled to a compensation of Rs.100/-per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with a CI/CIC.

19. Failure of ATM Transactions:

It is mandatory for the Bank to reimburse the customer, the amount wrongfully debited on account of failed ATM within a maximum period of 5 working days from the receipt of the complaint. Proactive credit is being given to customer for failed transactions within 5 calendar days, through credit/debit adjustment process. Beyond T+5, compensation of Rs.100/- is being effected to the credit of the account holder. TAT as per latest RBI Circular DPSS.CO.PD No.629/02.01.014/2019-20 dated September 20, 2019 for Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems is as under :

Harmonization of Turn around Time (TAT) and customer compensation for failed transactions using authorised Payment System.

Sl. 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		
1a	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		

2a	<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.
2b	<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.
2c	<u>Card Not Present (CNP) (e-commerce)</u> Account debited but confirmation not received at merchant's system.		
3	Immediate Payment System (IMPS)		
3a	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)		
4a	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.
4b	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.

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
5	Aadhaar Enabled Payment System (including Aadhaar Pay)		
5a	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.
5b	Account debited but beneficiary account not credited.		
6	Aadhaar Payment Bridge System (APBS)		

6a	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)		
7a	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.
7b	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		
8a	<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.		
8b	<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.

19.1 General Instructions covering the Turn around Time (TAT):

19.1.1 The principle behind the TAT is based on the following:

- a. If the transaction is a 'credit-push' funds transfer and the beneficiary account is not credited while the debit to originator has been effected, then credit is to be effected within the prescribed time period failing which the penalty has to be paid to the beneficiary;
- b. If there is delay in initiation of a transaction at the originator bank's end beyond the TAT, then penalty has to be paid to the originator.

19.1.2 A 'Failed Transaction' is a transaction which has not been fully completed due to any reason not attributable to the customer such as failure in communication links, non-availability of cash in an ATM, time-out of sessions, etc. Failed transactions shall also include the credits which could **not** be effected to the beneficiary account on account of lack of full information or lack of proper information and delay in initiating a reversal transaction.

Terms	Definition
T	It is the day of transaction and refers to the calendar date.
R	It is the day on which the reversal is concluded and the funds are received by the issuer / originator. Reversal should be effected at the issuer / originator end on the same day when the funds are received from the beneficiary end.

Bank	The term bank includes non-banks also and applies to them wherever they are authorised to operate.
Domestic Transactions	Domestic transactions i.e., those where both the Originator and Beneficiary are within India are covered under this framework.
Charge Back Claims	In respect of 'charge back' claims made by the customer (card holder) due to usage of cards at ATMs Network of our Bank /NFS Network /Other Networks / any other arrangement existing and that made in future, process of verification shall be undertaken as per the arrangement amongst the member banks to settle the claims.

20. Fraudulent / Unauthorized Debits through Alternate Channels:

20.1 **Safeguards to reduce possibility of frauds** - Bank has put in place dynamic fraud prevention systems for various alternate channels viz. ATMs, Credit Cards, Debit Cards, UPI and Internet Banking etc. Following safeguards are in place to reduce possibility of frauds:

- a. Bank's internet banking facility is supported by two factor authentications.
- b. Beneficiary registration is necessary in case of fund transfer through internet banking.
- c. Additional security features like generation of One Time Password (OTP) for all transactions. SMS alerts on transactions are sent to registered mobile no. of customers.
- d. Customers are cautioned so as to avoid fraudulent communications asking for User Id, Password, Card No., Account No., SMS, and Emails etc. through website as well as internet banking log-in page.
- e. While signature authentication is available in case of Visa/Master Cards, PIN validation is additional security feature of Rupay Cards. In case of UPI/IMPS transaction MPIN/Transaction PIN authentication is available.
- f. All our debit and credit card transactions for online purchase (Card Not Present - CNP) are enabled with two factor of authentication Verified by Visa (VBV) for Visa Cards and Secured Codes for Master Card which is applicable for Indian Merchants.
- g. Use of cards at ATM is protected by PIN which is not supposed to be divulged to anybody by the customer.
- h. Lost Card Insurance cover is available from lodgment of complaint by customer.
- i. 24 x 7 facility for immediate blocking of lost card is available through call center. Customer can also block the card through Mobile banking app (VYOM) and whatsapp banking (UVConn).
- j. UPI payment through App. MPIN can be set through Branch, ATM or Mobile Banking App (VYOM).

20.2 Compensating the Customer:

- a. The Bank would provide immediate compensation in respect of unauthorized transactions of debit/credit card arising due to clone cards or unauthorized transactions in 'card not present scenario'.

- b. On the failed online transactions, the Bank through its Customer Care Unit would facilitate obtaining reimbursement of the amount expeditiously. However, as such reimbursements have to go through the process of merchant establishments/ payment aggregators; the Bank's commitment will be restricted to obtaining reimbursement.
- c. Compensation under the Policy will, however, not be available in case of compromise of password/security features by the customer.

20.3. Liability Shift on account of ATM cum Debit Card Cloning on our Bank's ATM:

In case of fraudulent cash withdrawals through ATM cum Debit Cards, NPCI has introduced EMV liability process, where, if fraudulent transaction took place at non EMV compliant ATM/Terminal, chargeback claim can be lodged as per the NPCI guidelines. (Details guidelines is issued by Digital Banking Department vide IC No.02109 dated 25.06.2020). Such claims will be examined by Digital Banking Department, Central Office for lodging the claim at NPCI Portal. The payment in such cases will be made with the approval of Competent Authority in Controlling Offices/Central Office authorized to settle claims arising out of unauthorized/erroneous direct debits to customer's accounts given in **Appendix-I** of the Policy.

21. Liability of Banks in case of Safe Deposit Vault/Lockers:

The Bank shall not be liable for any loss or damage to the contents of the locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer.

However, Bank shall take all steps for the safety and security of premises in which the safe deposit vaults are housed. The Bank shall ensure that incidents like fire, theft/burglary/robbery, dacoity and building collapse do not occur in the banks premises due to its own shortcomings, negligence and by any act of omission/commission.

The banks liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s).

22. Customer Protection - Limiting Liability of Customers in Unauthorized Electronic Banking Transactions:

With the increased thrust on financial inclusion and customer protection and considering the recent surge in customer grievances relating to unauthorized transactions resulting in debits to their accounts/ cards, the criteria for determining the customer liability in these circumstances have been reviewed by RBI (vide RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18) and the revised directions in this regard are set out below.

22.1. Electronic/ Digital Banking Transactions: Broadly, the Card 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 (CNP) transactions], Pre-paid Payment Instruments (PPI), 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.)

Any other electronic modes of credit effected from one entity to another like UPI, IMPS & other currently used digital channels being used or adopted from time to time.

The policy excludes electronic banking transactions effected on account of error by a customer (e.g. NEFT carried out to an incorrect payee or for an incorrect amount), transactions done under duress, claims due to opportunity loss, reputation loss, other incidental costs or collateral damage.

22.2. Terms & Explanations used in this policy:

- a. Real loss is defined as financial outgo from customer's account e.g. debit to customer's account or card.
- b. "Card Not Present (CNP) Transactions" are defined as transactions that require use of Card information without card being physically used e.g. e-commerce transactions.
- c. "Card Present (CP) Transactions" are defined as transactions that require use of physical card e.g. at ATM or Shops (POS).
- d. Payment transactions are defined as transactions that involve transfer of funds from one account/ wallet to another electronically and do not require card information e.g. NEFT.
- e. "Unauthorized Transaction" is defined as debit to customer's account without customer's consent.
- f. Consent includes authorization of a transaction debit either through standing instructions, as per accepted banking practice and regulation, based on account opening process and related matters or based on additional authentication required by the bank such as use of security passwords, input of dynamic password (OTP) or static VBV/ MCSC, challenge questions or use of Card details (CVV/ Expiry date) or in case of any other electronic authentication such as UPI/IMPSN Authorisation is required through MPIN and transaction PIN.
- g. Date & time of reporting is defined as date & time on which customer has submitted a unique complaint. Date of receiving communication from the Bank, is excluded for purpose of computing number of working days for all action specified in this policy. The working schedule of the home branch would be considered for calculating working days for customer reporting. Time of reporting will be as per Indian Standard Time.

- h. Notification means an act of the customer reporting unauthorized electronic banking transaction to the bank.
- i. UPI/IMPS requires MPIN and Transaction Pin Authorisation respectively.
- j. Number of days will be computed based on working days
- k. Mode of reporting will be the channel through which customer complaint is received first time by the Bank, independent of multiple reporting of the same unauthorized transaction.
- l. Loss in foreign currency if any shall be converted to Indian currency for the purpose of this policy as per bank's policies on conversion at card rate net of commission.

22.3. Coverage under this policy for Electronic Banking Transactions:

Customer shall be compensated in line with this policy in case of loss occurring due to unauthorized transaction as follows:

22.3.1 Zero Liability of a Customer: A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- a. Contributory Fraud/ Negligence/ Deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- b. 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 **3 working days** of receiving the communication from the bank regarding the unauthorized transaction.

22.3.2 Limited Liability of a Customer: A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

- a. Customer shall bear the entire loss in cases where the loss is due to negligence by the customer, e.g. where the customer has shared payment credentials or Account/Transaction details, viz. Internet Banking user Id & PIN, Debit/Credit Card PIN/OTP or due to improper protection on customer devices like mobile / laptop/ desktop leading to malware / Trojan or Phishing / Vishing attack. This could also be due to SIM deactivation by the fraudster. Under such situations, the customer will bear the entire loss until the customer reports unauthorized transaction to the bank. Any loss occurring after reporting of unauthorized transaction shall be borne by the bank.
- b. 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.

Maximum Liability of a Customer in case of unauthorized Electronic Transaction where Responsibility is neither with the Bank nor with the customer but lies elsewhere in the system

¶ customer has reported unauthorized transaction from the date of receiving the communication within working days as mentioned below

Type of Account	Within 3 (Three) working days	Within 4 to 7 working days
• BSBD Accounts	Zero Liability	5,000
• All other SB accounts	Zero Liability	10,000
• Pre-paid Payment Instruments and Gift Cards	Zero Liability	10,000
• Current/ Cash Credit/ Overdraft Accounts of MSMEs	Zero Liability	10,000
• 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	Zero Liability	10,000
• Credit cards with limit up to Rs.5 lakh	Zero Liability	10,000
• All other Current/ Cash Credit/ Overdraft Accounts	Zero Liability	25,000
• Credit cards with limit above Rs.5 lakh	Zero Liability	25,000

Any unauthorized electronic banking transaction reported after 7 working days from the date of receiving the communication will be treated as 100% customer liability.

22.3.3 Third Party Breach:

The following would be considered as Third party breach where deficiency lies neither with the Bank nor customer but elsewhere in the system:

- Application Frauds
- Account Takeover
- Skimming / Cloning
- External Frauds / Compromise of other systems, for e.g. ATMs / mail servers etc. being compromised

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 as below:

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 to customer
Within 4 to 7 working days	The transaction value or the amount mentioned in point No. 21.3.2 above, whichever is lower
Beyond 7 working days	100% customer liability.

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

22.3.4 Reversal Timeline for Zero Liability/ Limited Liability of customer:

- a. The Bank shall afford shadow credit to the customer account within 10 working days from the date of reporting in all cases as per above statements. Within 90 days of date of reporting, the Bank shall either establish customer negligence or provide final credit to customer. Customer will be given value dated credit (based on date of unauthorized transaction) when customer becomes eligible to be compensated. In case of Debit Card/ Bank Account, the customer shall not suffer loss of interest and in case of Credit Card; customer shall not bear any additional burden of interest for such credit.
- b. The Bank, at its discretion and in circumstances so prevailing may, agree to credit the customer even in case of an established negligence by the customer.
- c. Customer would not be entitled to compensation of loss if any, in case customer does not agree to get the card hot listed or does not cooperate with the Bank by providing necessary documents and evidences including but not limited to police complaint and cardholder dispute form.
- d. Compensation would be limited to real loss after deduction of reversals or recoveries received by the customer.

23. Roles & Responsibilities of the Bank:

- a. The Bank shall ensure that the Compensation Policy is available on the Bank's website as well as at Bank's branches for the reference by customers. The Bank shall also ensure that existing customers are individually informed about the bank's policy.
- b. The Bank will regularly conduct awareness on carrying out safe electronic banking transactions to its customers and staff. Information of Safe Banking practices will be made available through campaigns on any or all of the following - website, emails, ATMs, Phone Banking, Net Banking, Mobile Banking. Such information will include rights and obligation of the customers as well as non-disclosure of sensitive information e.g. password, PIN, OTP, date of birth, MPIN (see out content in account statement over mail) etc.
- c. The Bank should communicate to its customers to mandatorily register for SMS alerts. The Bank will send SMS alerts to all valid registered mobile numbers for all debit electronic banking transactions. The Bank may also send alert by email where email Id has been registered with the Bank.
- d. The Bank will enable various modes for reporting of unauthorized transaction by customers. These may include SMS, Call Centre, Email, Website, Toll Free Number, IVR, Phone Banking or through its branches. The Bank will also enable specific space on its home page where customers can report unauthorized electronic banking transaction.
- e. The Bank shall respond to customer's notification of unauthorized electronic banking transaction with acknowledgement specifying Complaint Number, date and time of transaction alert sent and date and time of receipt of customer's notification. On receipt of customer's notification, the Bank will take immediate steps to prevent further unauthorized electronic banking transactions in the account or card.

- f. The Bank shall ensure that all such complaints are resolved and liability of customer if any, established within a maximum of 90 days from the date of receipt of complaint, failing which, bank would pay compensation as described in this policy.
- g. During investigation, in case it is detected that the customer has falsely claimed or disputed a valid transactions, the bank reserves its right to take due preventive action of the same including closing the account, blocking card limits or other course of actions, as per governing laws of land.
- h. The Bank may restrict customer from conducting electronic banking transaction including ATM transaction in case of non-availability of customer's mobile number.
- i. This policy should be read in conjunction with the latest Policies/Guidelines, Product & Services features, Terms and condition, notices, information etc. placed in website of the Bank. Clauses from the Bank's Grievance Redressal Policy shall form a part of this policy where not specifically addressed in this policy.

23.1 Rights & Obligations of the Customer:

23.1.1 Customer is entitled to -

- a. SMS alerts on valid registered mobile number for all financial electronic debit transactions
- b. Email alerts where valid email Id is registered for alerts with the Bank
- c. Register complaint through multiple modes - as specified in point relating to Bank's roles & responsibilities
- d. Intimation at valid registered email/ mobile number with complaint number and date & time of complaint
- e. Receive compensation in line with this policy document where applicable. This would include getting shadow credit within 10 working days from reporting date and final credit within 90 days of reporting date subject to customer fulfilling obligations detailed herein and with customer liability being limited as specified in the above Table at point No. 21.3.2, & 21.3.3 of this policy.

23.1.2 Customer is bound by following obligations with respect to banking activities: Bank at a time and also from time to time inform/update the customers its various Initiative/ Products/Services/Charges and more particularly adopted by the Customers. Other key points are enumerated as under:

- a. Customer shall mandatorily register valid mobile number with the Bank.
- b. Customer shall regularly update his /her registered contact details as soon as such registered details goes to Trash/Spam of SMS/Email and are changed. It will be responsibility of the customer to view/update with such alerts. Bank will only reach out to customer at the last registered/known email/ mobile number. Any failure on the part of customer to update the Bank with changes shall be considered as customer negligence. Any unauthorized transaction arising out of this negligence/delay shall be treated as customer liability.

- c. Customer should provide all necessary documentation - customer dispute form, proof of transaction success/ failure and should also file a police complaint and provide copy of the same to the Bank.
- d. Customer should co-operate with the Bank's investigating authorities and provide all assistance.
- e. Customer must not share sensitive information (such as Debit/Credit Card details & PIN, CVV, Net Banking Id & password, OTP, transaction PIN, MPIN in case of UPI transactions, challenge questions etc.) with any entity, including bank staff.
- f. Customer must protect his/her device as per best practices specified on the Bank's website, including updation of latest antivirus software on the device (Device includes smart phone, feature phone, laptop, desktop and Tab) etc.
- g. Customer shall abide by the tips and safeguards mentioned on the Bank's Website for alerts/updates on Secured Banking.
- h. Customer shall go through various instructions and awareness communication sent by the bank on secured banking.
- i. Customer must set transaction limits in various mode of Alternate Banking Channels to ensure minimized exposure to any such fraudulent attempts.
- j. Customer must verify transaction details from time to time in his/her Bank Account Statement and/or Credit Card Statement and raise query with the bank as soon as possible in case of any mismatch/discrepancy/disagreement. (A detail list on security is attached as Appendix-II)

23.2. Notifying the Bank of the unauthorized transaction:

23.2.1 Customer shall report unauthorized transaction to the Bank at the earliest, with basic details such as Account No/Customer ID and/ or Card number, date & time of transaction and amount of transaction.

23.2.2 Customer shall follow bank's reporting process viz.

- a. Notify/ report through SMS, email, website, toll free number, IVR, Phone Banking or through its branches. In case customer is unable to do so, customer could report through phone banking or at the nearest branch.
- b. Lodge police complaint and maintain copy of the same and furnish police complaint when sought by bank's authorized personnel.

23.2.3 Customer shall authorize the bank to block the credit/ debit card/ net banking/ account(s) to reduce likelihood of additional loss.

23.2.4 Customer to clearly specify the facilities to be blocked failing which the Bank reserves the right to block all electronic transactions of the customer to protect the customer's interest. Also, revoking these blocks would require explicit consent from customer for each facility.

23.2.5 Customer shall share relevant documents as needed for investigation or insurance claim viz. cardholder dispute form, copy of passport in case of international transactions and police complaint.

23.2.6 Fully co-operate and comply with Bank's reasonable requirements towards investigation and provide details of transaction, customer presence, etc.

23.3. Burden of Proof of customer liability:

The burden of proving customer liability in case of unauthorized electronic banking transactions shall lie on the bank. The Bank has a process of second factor authentication for electronic transactions, as regulated by the Reserve Bank of India. Bank has onus to prove that all logs / proofs / reports for confirming two factor authentication is available. Any unauthorized electronic banking transaction which has been processed post second factor authentication known only to the customer would be considered as sufficient proof of customer's involvement / consent in effecting the transaction.

23.4. Reporting and Monitoring:

Digital Banking Department shall report the customer liability cases to the Stakeholders' Relationship Committee of the Board every Quarter. The reporting shall, *inter alia*, include volume / number of cases and the aggregate value involved and distribution across various categories of cases viz., card present (CP) transactions, card not present (CNP) transactions, internet banking, mobile banking, ATM transactions, etc. The Standing Committee on Customer Service in the bank shall periodically review the unauthorized electronic banking transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redress mechanism and take appropriate measures to improve the systems and procedures. All such transactions shall be reviewed by the bank's internal auditors.

24. 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, Lockdown, Strike or other labor disturbances, accident, fires, natural disasters or other "Acts of God", War, Pandemic, Invocation of Disaster Management Act by any authority of the country such as Central/State/District/Local, 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.

25. Wealth Management Products: Insurance/Investment Distribution related Customer Grievance:

The bank is a corporate Agent and distributor of Insurance and Mutual Fund products. For any deficiencies in such services, the bank will assist all customers to raise their grievances with the tie-up partners.

For any deficiencies in services at the bank level raised by customers, the issue will be examined by the bank and if the lapse on the part of the bank is confirmed (mis-selling) the customer will be compensated, based on the facts and circumstances of the case.

26. Customer Responsibility:

- 26.1** Bank will not be responsible for the loss to the customers due to customer's carelessness in keeping the Cheque book, passbook, cards, PIN or other security information and not following "Do's and Don'ts" issued by the Bank, until the Bank has been notified by the customer.
- 26.2** The Bank will not be responsible for the loss to the customer, if the customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/her. Bank will also not be responsible for the losses arising out of misuse of lost PIN, compromise of passwords or confidential information, until the time the Bank has been notified of such loss/compromise and has taken steps to prevent its misuse.

27. Disclaimer Clause:

Notwithstanding anything contained here above, the Bank shall not pay any compensation in the following cases:-

- 27.1** Any deficiency in regard to loans and advances activities of the Bank.
- 27.2** Dishonour of at par payment agreement with other banks, due to non- funding and security compliance.
- 27.3** In case of delay on account of non-functioning of business due to factors beyond the control of the bank the period covered by such events shall be omitted for calculation of delay etc.
- 27.4** Where the issues are sub-judice and pending before Courts, Ombudsman, Arbitrator, Government and/or matter put on hold due to stay.

28. Validity & Review of the Policy:

- 28.1** The policy shall be reviewed annually in tune with the regulatory guidelines issued from time to time or internal requirements or as and when considered necessary.
- 28.2** The Compensation Policy 2024-25 shall be valid upto 31st March, 2025.

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Appendix-I

Delegated Authority for approval of Compensation (per Customer/ Per Occasion/ per sanction):
(Rs. In lacs)

NATURE OF TRANSACTIONS	MCB	CAC-I	CAC-II	CAC-III	ZLCC	RLCC-I Headed by RH in Scale-VI	RLCC-I Headed by RH in Scale-V
1. Fraud compensation							
i. ATM and Alternate Channels related fraud transactions.	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
ii. Claims arising out of frauds in payment of Cheques under CTS, Fraudulent encashment of cheques lost in transit and all cheque related frauds.	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
iii. Payment of Shadow Balance (with lien) to aggrieved account under Cheque related fraud before referring the case to PRD (Panel for resolution of Disputes) as per RBI guidelines. (Lien will be released after PRD decision or within 7 days of approval of compensation after complying sanction terms, whichever is earlier).	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
iv. Payment against PRD (Panel for Resolution for disputes), RBI order in cheque related fraud & other fraud cases	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
v. Any other cases of frauds.	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50

<p>2. Claims arising out of unauthorized/ erroneous direct debits to customers' accounts that result in :</p> <p>a. Reduction in minimum balance, reduction of balance in current account, payment of additional interest by customer in loan account, penalty in deposit accounts (RD).</p> <p>b. Returning of cheque</p> <p>c. Insufficient balance in account resulting in failing of direct debit instructions.</p> <p>d. Returning of cheque given for payment of loan installment.</p> <p>e. Payment of cheque after stop payment instructions acknowledged by Bank.</p> <p>f. Debits/Charges arising out of failed ATM transactions.</p> <p>g. Any other debits in form of service charges, penalty, penal interest.</p> <p>h. Payment of Awards/Advisories of Banking Ombudsman/Internal Ombudsman and Awards/ advisories of Consumer Forum</p>	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
<p>3. Failure to carry out:</p> <p>a. NACH/ECS/NECS debit/credit instructions.</p> <p>b. Standing instructions.</p>	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
<p>4. Fault of System or Branch for not entering proper details and system failures</p>	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50

<p>5. Claims related to Collection of instruments including foreign exchange transactions: a. Delay in collection of instruments. b. Instruments accepted for collection lost in transit/clearing etc.</p>	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50
<p>6. Miscellaneous: a. Violation of code of Bank's commitment to customers b. Improper conduct of Bank's representative/ courier/ Direct Selling Agent. c. All other type of cases (other than frauds) which are not covered above for which compensation is payable on account of deficiency in service. d. Payment of compensation to issuer Bank as per Govt./Ministry/ RBI guidelines e. Giving Shadow Balance in the system (Detailed guidelines will be issued by Digital Banking Department, CO.</p>	Above 500.00	>300-500	>200-300	>40-200	>18-40	>7.50-18.00	0-7.50

Procedure for handling compensation claims:

In order to streamline the process and to ensure quick disposal of such cases following procedure will be adopted:

Claims falling within the delegated authority of Zonal Head/Regional Head will be settled at ZLCC/RLCC. If necessary, opinion of concerned department at Central Office may be obtained on technical issues relating to alternate channels to confirm perpetration of fraud.

Claims where two ZOs/ROs are involved (Account of the customer is held in one Zone/RO and fraud has happened in other Zone/RO), necessary entry for compensation would be made in ZO/RO where account is maintained.

Claims falling within the delegated authority in Central Office will be referred to respective departments in Central Office. The proposal to be prepared by the concerned verticals at CO to place the same before respective competent authority as mentioned above for consideration/approval. Approved note will be sent to Operations Deptt., CO for creating the

necessary entry through suspense account Fraud (in case of compensation in fraud cases) as has been directed by ORMC (vide Agenda No.6 dated 23.08.2018).

- a. Claims relating Credit Card will be examined by Credit Card & Merchant Acquiring Business, CO.
- b. Claims relating Internet Banking/Mobile Banking will be examined by Digitization Department, CO.
- c. Claims relating to short interest payment in Deposit accounts will be examined by Deposit Mobilisation Department, CO.
- d. Claims relating to any legal matters like set aside of SARFAESIA sale proceeds by any Hon'ble court, etc. will be examined by SAMV, CO.
- e. Claims relating to third party products i.e. Insurance, Mutual Fund products will be examined by Third Party Products Department.
- f. Claims relating to Government Business transactions like PPF, pension etc. will be examined by Government Business and Relationship Department.
- g. Other claims arising out of mistake or fault in the system/ATM/Debit Card will be examined by Operations Department in consultation with Dept. of Information Technology, wherever necessary.
- h. While referring any claim arising out of fraud, the Regional Office should confirm to the respective delegate that the case is reported to Transaction Monitoring and Fraud Management Dept. CO in prescribed format.
- i. Claims relating to Gold Loan will be examined by Gold Loan Vertical.

References:

1. Model Compensation policy of Indian Banks Association.
2. RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 on Customer Protection - Limiting Liability of Customers in Unauthorised Electronic Banking Transactions.
3. RBI circular DBOD.Leg.BC.86/09.07.007/2001-02 dated April 8, 2002 regarding reversal of erroneous debits arising from fraudulent or other transactions.
4. RBI Master Circular DBR.No.FSD.BC.18/24.01.009/2015-16 dated July 1, 2015 on Credit Card, Debit Card and Rupee Denominated Co-branded Pre-paid Card Operations of Banks and Credit card issuing NBFCs.
5. RBI Master Circular RBI/2015-16/59 DBR No.Leg.BC.21/09.07.006/2015-16 dated July 1, 2015 on Customer Service in Banks.
6. FEDAI Circular No.SPL-05.BC/ FEDAI Rules/2019 dated 11th March 2019(updated up to 15 November 2020)
7. RBI Circular No.RBI/2019-20/67,DPPS.CO.PD No.629/02.01.014/2019-20 dated 20.09.2019 on Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorised payment systems.
8. RBI Circular No.RBI/2020-21/21,DPPS.CO.PD No.116/02.12.004/2020-21 dated 06.08.2020 on Online Dispute Resolution (ODR) system for digital payments.
9. RBI Circular No.RBI/2023-24/60 DoR.MCs.REC.38/01.01.001/2023-24 dated 13.09.2023
10. RBI Circular No. RBI/2023-24/72 DoR.FIN.REC.48/20.16.003/2023-24 dated 26.10.2023

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Security/ Safeguard Measures

1. Any desk App warning:

“Do not download “ANYDESK” from Play store or any other source, which Fraudster can use to take control of your mobile device and carry out transactions.

- a. You may receive a phone call from a fraudster, who will claim to be a representative from a tech company/bank offering to fix issues in your smartphone or mobile banking apps.
- b. The fraudster will then lure you to download a mobile app like 'Any Desk' from Play store or App Store, which can provide him with remote access to your mobile.
- c. Post the installation of the app (in this case 'Any Desk'), a 9-digit code will be generated, which the fraudster will ask you to share.
- d. Then the fraudster will further ask you to grant him certain permissions. Once granted, the fraudster is now in control of your mobile device.
- e. Further, Mobile Banking credentials and PIN are vished (stolen) from you and the fraudster can now choose to carry out financial transactions from your mobile app which was already installed.
- f. The fraudsters also forward one SMS to you and advise you to forward it to a specific mobile number from your phone. On the basis of this, the fraudster is able to link/register your mobile number/account with UPI on his own mobile device.
- g. The fraudster subsequently seeks confidential account related credentials like Debit Card number, PIN, expiry date, OTP and sets the MPIN which is then used to authenticate transactions.
- h. Sometimes, the fraudsters could also send “Collect request” to your VPA and ask you to approve/authenticate it on the respective UPI apps to get reversal/refunds. Assuming that you will get credit/refund in your account, you approve the request by authenticating the transaction with MPIN [which is only known to you] but you might end up losing money since your account gets debited once the collect request is approved/ authenticated.

Do's and Don'ts you should follow:

- a. Be alert to fraudulent calls (vishing) that ask you to download apps or share confidential information (disconnect such calls immediately)
- b. In case you have already downloaded “Any Desk” app and it is no longer required, uninstall it

IMMEDIATELY:

- a. Please enable app-lock on your payment or mobile banking related apps.
- b. Report any suspicious activity at your nearest Bank Branch / genuine customer care number only
- c. Do not share your banking passwords or store them in your mobile handset.
- d. Do not share your other sensitive financial details on call such as UPI PIN / MPIN, Debit / Credit Card, CVV, expiry date, OTP, ATM PIN, bank account details, etc.
- e. Don't allow a stranger to guide you to install a mobile app through App Store / Play store, or instruct you to change the setting of your mobile.

- f. Do not rely on customer service numbers of various merchants/entities/ banks etc. retrieved via Google search, since they can be fake.
- g. Do not forward any unsolicited SMS received on a request of so-called representative from a tech company/bank

2. Please Be Aware of the Following:

- a. Choose an account with two factor authentication
- b. Create a strong password
- c. Secure your computer and keep it up-to-date
- d. Avoid clicking through emails
- e. Access your accounts from a secure location
- f. Always log out when you are done
- g. Set up account notifications (if available)
- h. Monitor your accounts regularly

3. PHISHING E-MAIL

- a. Do not click on links or download attachments from unknown sources.
- b. Never reply/forward the mail in case it is found suspicious
- c. Be suspicious of mails even when received from known sources when you are not expecting it.
- d. Do not provide any personal or financial information (like user name, password, credit/debit card credentials etc.) over email
- e. Be wary and cautious of unsolicited emails that demand immediate action
- f. Pay attention to URL of a website. Malicious sites may look identical to a legitimate site but the URL may use a variation in spelling such as 'l' may be replaced with identical looking '1' etc.,.
- g. Always think twice before clicking on any link attached in the e-mail
- h. Check the URL by placing (hovering) mouse poi
- i. Enter on the link provided in the mail which displays the correct website / URL where the link is actually pointed.

4. Internet Security:

- a. Do not blindly click on pop-ups
- b. Do not download software's which are not Approved by Bank
- c. Do not Upload any data belonging to bank on Internet
- d. Users are responsible for protecting their Internet account and password
- e. Users should ensure that they do not access websites by clicking on links provide in emails or in other websites

5. Browser Security:

- a. Older versions of web browsers may contain vulnerabilities. So keep it up to date
- b. Pop-ups can be used as a front for malicious activities. It is advisable to block pop-ups

6. Wi-Fi Security:

- a. Don't enable Auto-Connect to open Wi-Fi Networks
- b. Don't leave broadband connectivity open when it is not utilized
- c. Don't connect to unknown Wi-Fi network at office or public place
- d. Change Default Administrator Passwords and User names

7. Desktop Security:

- a. Shut down the desktop while leaving
- b. Ensure you have updated anti-virus
- c. Scan the attachments before opening
- d. Do not install any unauthorized software
- e. Follow the Clear Desk & Clear Screen policy
- f. Do not enable sharing of folders in your C: drive
- g. Ensure confidential documents are not kept in the open

8. Password Security:

- a. Do use hard to guess Passwords
- b. Do not use same password for all Accounts
- c. Do not write passwords anywhere
- d. Do not use personal information as password e.g. DOB, Name, Mobile No...
- e. Passwords should be unique from previously used passwords.
- f. You are responsible for the work carried out in your User ID. It is your digital identity
- g. Passwords should be created so that they can be easily remembered

9. CREATE AN ALTERNATE EMAIL ADDRESS

- a. Instead of using your primary email address for every online account, create an alternative email address for public-facing accounts and users

10. DON'T GIVE AWAY ADMIN RIGHTS

- a. When a new software or app is asking for system admin rights check the access it's asking for, look in documentation for reasons why, and contact a support team if possible

11. CREATE A SECURITY PLAN

- a. Create a checklist for yourself of do's and don'ts, reminders for regular backups and updates. Please read Cyber security Policy, Information Security Policy & CISO office Circulars.

12. BE CARD SMART

- a. Don't save your card information when you purchase something online or on an app

13. KEEP RECOVERY INFORMATION CURRENT

- a. Check and update the recovery email addresses, phone numbers, and physical addresses associated with your accounts

14. DON'T CLICK LINKS FROM SUSPICIOUS SOURCES

- a. Avoid clicking short links from unknown or questionable sources

15. MONITOR ACCOUNT ACTIVITY

- a. Track the activity logs for your accounts on regular basis

16. CHECK YOUR EMAIL ACCOUNTS

- a. Go through all your email accounts, delete what you aren't using anymore and set up stringent security measures for the accounts you want to keep

17. BACK UP YOUR DATA

- a. Back up your data frequently and in multiple locations to protect your critical information

18. UPDATE YOUR SOFTWARE

- a. Make sure any software you use on your personal computer is updated regularly.

19. DISABLE AUTO-CONNECT

- a. Make sure your Wi-Fi auto discovery functions and Bluetooth is off when you are travelling or in public.

20. CONTROL MOBILE APP ACCESS

- a. Get into the habit of not installing any app unless they come from the official app store

21. REVIEW YOUR PASSWORDS PERIODICALLY

- a. Make sure they are strong and contain an assortment of characters and change them regularly.

22. REGULARLY UPDATE YOUR BROWESERS

- a. Make sure you're using the latest versions of your Internet browsers and any related plug-in.

23. PROTECT YOUR SYSTEMS

- a. Carefully vet antivirus, firewall, and ad-blocker solutions are patched and updated on regular basis

24. SET UP 2FA (TWO FACTOR AUTHENTICATION)

- a. Make sure to link your accounts to your cell phone and/or emails address to verify your identity when you sign in

CHAPTER-II

GRIEVANCE REDRESSAL POLICY 2024-25

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ABBREVIATION

Abbreviation	Full Form
CCU	Customer Care Unit
BOCMS	Banking Ombudsman Complaint Management System
CPGRAMS	Centralised Process for Grievance Redressal Mechanism
INGRAM	Integrated Grievance Redressal Mechanism
DIT	Department of Information and Technology
FRMC	Fraud Risk Management Committee
ZO	Zonal Office
CRBD	Customer Relationship and Business Development Department
IO	Internal Ombudsman
BO	Banking Ombudsman
GRO	Grievance Redressal Officer
RO	Regional Office
CGO	Chief Grievance Officer
ASBA	Application supported by Blocked Account
RBI	Reserve Bank of India
SRCB	Stakeholders Relationship Committee of the Board



Operations Department, Mangladevi Temple Road, Pandeshwar, Mangaluru-575001

Grievance Redressal Policy 2024-25

1. Preamble:

- 1.1 Customer centricity is one of the core values of the Bank. As a service organisation customer service and customer satisfaction is the prime concern of the Bank. Bank believes that excellence in customer service is the most important tool for sustainable business growth. Over the years, Bank has taken various initiatives aimed at improving customer satisfaction. Grievance expressed by customer serves as feedback mechanism for bringing out improvement in quality of service delivered to customers. However, Customer grievances are part of the business life of any corporate entity and is inevitable, no matter how streamlined the business processes are. It is therefore desirable that the Customer grievances are acknowledged and dealt with effectively by developing an efficient system to ensure that complaints are resolved quickly and accurately.
- 1.2 Grievance Redressal Policy of the Bank is formalized in line with Regulatory guidelines on Customer Service to have guidelines in place for having standard operating procedure across organisation. This Policy aims to minimize instances of customer complaints and grievances and to ensure prompt and satisfactory resolution through proper service and review mechanism. Timely redressal not only satisfies the customer but is also an opportunity to cross sell our products to the customers/non-customers.

2. Scope:

- 2.1 This Grievance Redressal Policy shall cover the Grievance Redressal function of all the domestic Branches/Offices located in India. For Foreign Branches/Offices a separate policy is formulated by our International Banking Division (IBD).

3. Aim/ Objective:

- 3.1 To adopt a system which is combination of technology, processes and people, to develop and maintain profitable relationship with prospective and present customers; to practice and generate better understanding of the customer for product development, segmentation, appropriate targeting, campaign management and maintaining long term profitable and mutually beneficial relationship with customers; to comply the regulator's concern on 4 C's (Consolidation of services offered by Banks, Customisation of products and services, Convenience of transacting, Concern for customers) through Root Cause Analysis.
- 3.2 The Bank's Grievance redressal policy follows the following principles:

- a) To have complete understanding of the customer's experience at all touch points of services.
- b) To understand the level of satisfaction with the various channels with which the customer interacts in his day to day transactions with Union Bank of India and ways to further strengthen the same.
- c) To identify gaps in servicing and areas requiring improvement.
- d) To evaluate, whether internally defined service norms are being met.
- e) To make available proactively, micro-level improvement areas.
- f) To understand inherent systemic problems so that corrective and timely measures can be taken before they become acute, such as: Retention strategies, Communication Needs, Training Needs, Rewards & Recognition, Benchmarking and setting of SOPs.
- g) To ensure Process Improvement, fair treatment, courtesy in services, working in good faith without prejudice.
- h) Customers are fully informed of avenues to escalate their grievances/Complaints within the organization and their rights to alternate remedy, if they are not satisfied with the response of the Bank.

4. Adoption of new CRM EDGE portal for Grievance Redressal:

The policy was last reviewed on 02.03.2023, valid up-to 31.03.2024. Bank has now implemented a common portal for customer grievance redressal through CRM Edge portal along with BOCMS system. Hence, revision/modification in policy is incorporated to take care of the new grievance redressal system and its mechanism.

- a) Nomination of GROs at Regional Offices & Zonal Offices
- b) Well defined Standard Operating Procedures (SOP) at all levels,
- c) Working of Call Centres at Hyderabad, Mumbai and Bangalore.
- d) Handling of Government Portal Complaints under common User ID's
- e) Handling of State Government Portal Complaints under common User ID's
- f) Handling of RBI complaints,
- g) Revisiting Escalation Matrix,
- h) Defining the role and responsibilities of the CCU (Customer Care Unit) and GROs.
- i) CCU to work as the Centralised Unit for grievance redressal, to be headed by a senior level executive in the Operations Department.

5. Reasons for customer complaints:

The Major reasons for the complaints are:

- a) Gaps in standard of service expectation and actual service delivery or inadequacy of functions/products/arrangements made available to the customers.
- b) Malfunction of technological products.
- c) Attitudinal aspects while dealing with customers.

6. Grievance Redressal Mechanism in the Bank:

- a) **Accessibility:** The customer can register grievance through an online/offline mode, like, Branch, contact centre/call centre, mobile banking application, website, e-mail, etc.

- b) **Acknowledgment and Resolution of Grievances:** The Bank shall acknowledge the receipt of complaints received through various channels with a unique ID and provide the resolution within the defined timelines.
- c) **Transparency:** Bank shall respond the complaints in a professional and transparent manner. Further ensure the objectivity in the complaint handling process.
- d) **Prompt & Responsive Complaint Resolution:** Bank shall provide Prompt response to all complaints and ensure its timely resolution. Further Bank maintains the confidentiality of Complainant's details. Further, Bank shall ensure that the resolution provided is as per the Compensation policy of the Bank in vogue. Bank ensures the adherence of all relevant Regulatory & Statutory requirements as mandated by RBI from time to time and as per Grievance Redressal policy of the Bank.
- e) **Escalation:** The Bank shall provide the information, on the process of escalation of complaints to the next/higher level, if the customer is not satisfied with the resolution provided by the Branch/Office. The escalation matrix is made available in Branches, Bank's website & at Bank's call centres.
- f) **Customer Education:** The Bank, through various channels/forums shall put continuous efforts to educate the customers on Bank's various products and services and create awareness on digital frauds.
- g) **Review:** Bank puts all its efforts to improve its processes & systems by taking inputs from customers, employees and other stake holders. The Bank shall have forums at various levels viz. Branch Customer Service Committee, Customer Service Standing Committee, Stakeholders Relationship Committee of the Board, to review customer grievances and enhance the quality of customer service.

7. **Online Grievance Redressal Mechanism: CRM Edge (IC 04347:2023 dt. 29.09.2023)**

The Bank has put in place a common platform for addressing customer grievances and complaints lodged from multiple channels (Phone, Mobile Banking, Internet Banking, Letters, E-mails, Social-media platforms) in online grievance redressal system namely CRM Edge. All the grievances/complaints lodged by the customers would be handled in the same package. The package is equipped with various tools to capture details of complaints and provided status tracking and resolution updates to customers.

7.1 **At Branch level:**

- a) Branches are instructed to log-in to the package on daily basis for grievance redressal.
- b) Branches have to invariably provide redressal within prescribed turn-around-time or the complaint would automatically flow to next higher authority (Regional Office for Branches).
- c) After entering the redressal, the complaint would flow automatically to Regional Office for review and closure.
- d) In-case there is no deficiency on part of bank towards the products/services rendered, the complaint is liable to be rejected. However, rejection of the customer complaints is to be vetted by IO (Internal Ombudsman) of the Bank.

7.2 **At Regional Office Level:**

- a) Regional Grievance Redressal Officer has to monitor the complaints of the region.

- b) Regional GRO has to review and close the complaints which are redressed by the branches.
- c) Rejection of the customer complaints is to be vetted by IO (Internal Ombudsman) of the Bank.
- d) If the complaint is not attended by Regional Office, it is escalated to Zonal Office for redressal.

7.3 At Zonal Office Level:

- a) Zonal Grievance Redressal Officer has to monitor the complaints of the zone.
- b) If the complaint has not been addressed by Regional Office also, then it would automatically escalate to Zonal Office and then redressal would be provided by Zonal Grievance Redressal officer.
- c) Rejection of the customer complaints is to be vetted by IO (Internal Ombudsman) of the Bank.

7.4 At Central Office Level:

- a) Central Office (CCU) has to monitor customer complaints at all levels to ensure redressal is provided to the complainant.
- b) Escalate the complaint to different verticals as and when required.

8. **Customer Care Unit:** Customers can also send complaints to the Principal Nodal Officer at the following address:

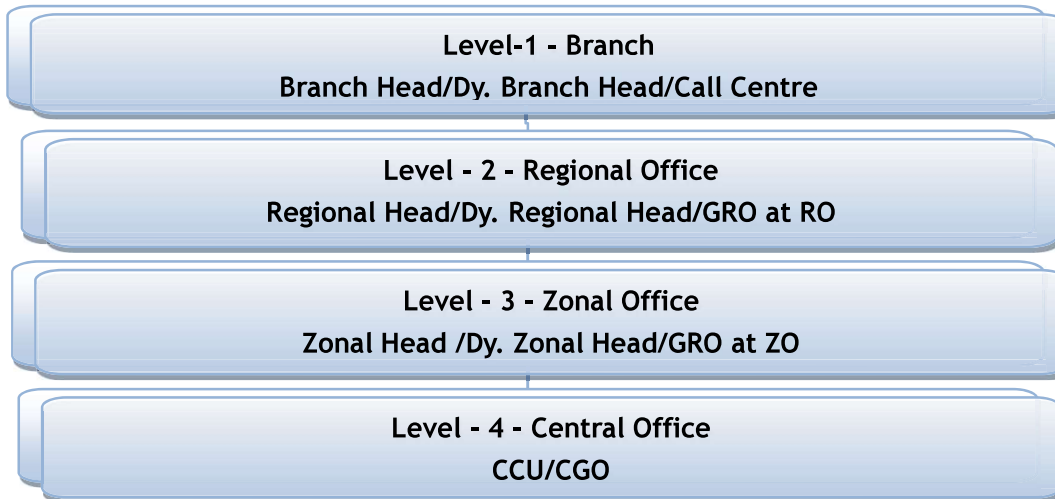
The Principal Nodal Officer cum Chief Grievances Redressal Officer
Union Bank of India, Customer Care Unit,
Operations Department, Central Office,
Mangladevi Temple Road, Pandeshwar,
Mangaluru, Karnataka-575001.

Contact No. : 0824-2428565, Email: cgo@unionbankofindia.Bank

The contact details of Principal Nodal Officer cum Chief Grievances Redressal Officer are available in all branches of the Bank on the Comprehensive Notice Board. Besides, contact details are also printed in the Passbook. It is an endeavour by Bank that the customer is provided with the resolution at the Branch, RO/ZO to restrict it from further escalation at CCU / Central Office level.

9. Organizational Machinery to handle Customer Grievances

9.1 Grievance Redressal Structure in the Bank:



The Contact details (Direct Line as well as E-mail ids) shall also be displayed on Bank's Website for Central Office and Zonal Office Level.

9.2 System Support available to CCU, CO:

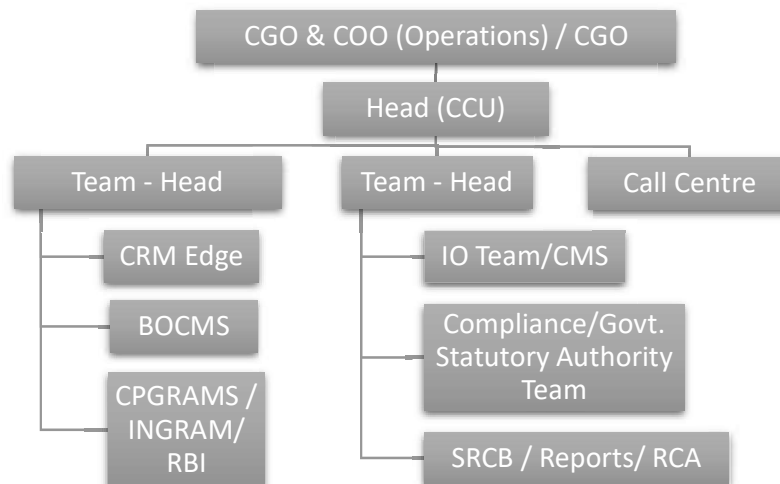
- a) CRM Edge - For complaints other than BO (Banking Ombudsman) complaints.
- b) BOCMS - For BO complaints.
- c) CPGRAMS/INGRAM - For complaints registered through Government Portals.
- d) Complaint Management System (CMS) of RBI.

10. The URL and QR code for accessing the Online Grievance Portal:

<https://www.unionbankofindia.co.in/english/online-grievance-redressal.aspx>

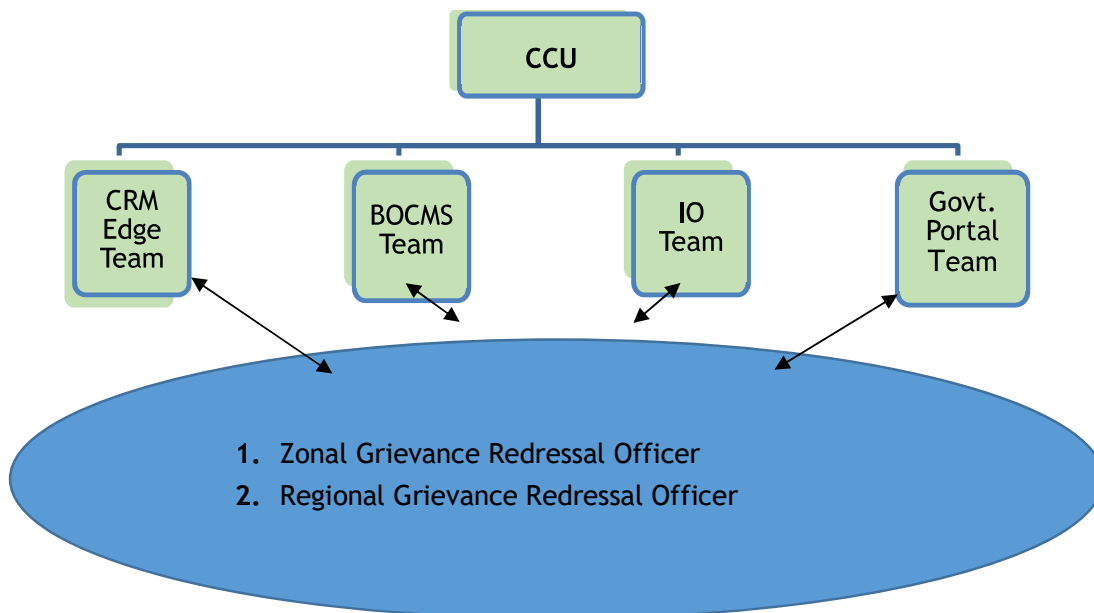


11. Detailed Structure of Customer Care Unit (CCU) at Central Office:



Classification: Internal

11.1 Communication Structure for Field linked to CCU (Zonal & Regional GROs):



The names and the contact details of the Grievance Redressal Officers at ROs and ZOs to be displayed in Branches and CGO as well as GROs in Bank’s website to enable ease to customers in quick resolution of complaints.

12. Roles and Responsibilities of Branches / Offices:

12.1 Roles and Responsibility of Branch Head/Deputy Branch Head:

Branch Manager is responsible for the resolution of complaints/grievances in respect of customers serviced by the branch. He/she would be responsible for ensuring redressal of all complaints received at the branch. This will also include all complaints received through Customer Care Unit. It is his/her foremost duty to see that the complaint should be resolved to the customer’s satisfaction and if the customer is not satisfied then he should be provided with alternate avenues to escalate the issue. If the Branch Manager feels that it is not possible at his/her level to solve the problem, he/she should refer the case to Regional or Zonal Office for guidance and for resolution.

Grievances related to attitudinal aspects: All such complaints shall be handled courteously, sympathetically and above all swiftly. Misbehaviour/rude behaviour with customers shall be treated with **Zero tolerance**, and immediate corrective steps for non-recurrence should be kept in place. Under no circumstances Bank shall tolerate misbehaviour of any degree by its staff members.

To keep the complaints related to misbehaviour/rude behaviour at zero tolerance level, stern action/ disciplinary action against the erring officials would be initiated by the respective Disciplinary Authority.





Branch Head & Officials at the Branch would ensure that Queries & Complaints received directly at Branch or through CRM Edge/BOCMS or any other modes are dealt proactively and timely.

12.2 Roles and Responsibilities of GROs at Regional Offices & Zonal Offices (Other than BO Complaints):

- a) To resolve queries at initial level properly to avoid its escalation as complaint.
- b) To escalate the issue to Dy. RH/ RH for timely resolution.
- c) To refer circular/policies on Customers Right, Grievance Redressal, Compensation to alleviate the complaints at the initial level.
- d) To ensure that complaints are resolved properly so that it does not further escalate to BO/Consumer forum etc.
- e) Regional GROs to submit the report fortnightly to Regional Head, Zonal GRO and CCU on regular basis.
- f) Zonal GROs to submit the fortnightly report to Zonal Head and CCU on regular basis.
- g) Follow-up of all complaints escalated to Regional /Zonal Office for speedy resolution.
- h) To follow-up with the Branches/RO's/NOs and resolve the issues and mark the closure in the CRM Edge Portal. In case of CPGRAMS/INGRAM Complaints, ensure that a copy of the reply to the complainant is invariably marked to CCU giving therein complaint reference number for enabling them for closure of the complaint.
- i) To ensure that the complaints are resolved in time and the complaints/claims pending at RO level/ZO level are attended proactively. Genuine claims shall not remain unpaid/unattended beyond TAT.

To ensure that all the partially/fully rejected complaints have been vetted by IO. Hence, such complaints need to be forwarded to the IO through CRM Edge/BOCMS.

12.3 Roles and responsibilities of Officials at Call Centre:

- a) The Customer can lodge their complaint by calling Call Centres through Toll free Numbers as given below:
 -  1800-2222-44
 -  1800-2222-43
 -  1800-208-2244
 -  1800-425-1515
- b) To lodge claims in ATM Claim menu on receipt of failed transaction complaints immediately, Officers at Call Centre should confirm and ensure that the process is well adopted by the Call Centre Agents.
- c) On receipt of complaint at Call Centre, Call Centre Agent should enter the detail of the complaint in CRM Edge package immediately with proper classification viz. digital products complaint, Pension complaint, General Banking complaint, Legal complaint, Staff behaviour complaint, etc., so that it gets assigned to the right owner for speedy resolution. Call Centre In-charge need to supervise proper classification and make random checking for proper administration of the Call Centre.

- d) The Call Centre in-charge should therefore conduct periodic briefing to the agents in this regard and review the call logs of the Call Centre Team, to ensure proper classification and entry of proper details in the respective fields in CRM Edge. Call Centre in charge should keep proper records of periodic review/call log check and submit the daily/weekly/monthly/quarterly reports, regularly to CCU.
- e) Call Centre In-charge and his/her team to ensure that the Call Centre Agents are provided regular training on the products and services of the Bank, so that they can assist and guide the customers properly.

12.4 Roles and responsibilities of Customer Care Unit at CO:

12.4.1 Roles and responsibilities of CRM Edge Team

- a) To monitor all the complaints received in CRM Edge package.
- b) To lodge complaint in CRM Edge, received through letters, by RBI/DFS, Govt. portal (CPGRAMS/INGRAM), at Operations vertical.
- c) To follow up with the Branches, GROs, CO Verticals, DIT, CPPC etc. for quick redressal of the complaints.
- d) Wherever necessary obtain replies under signature of Regional Head/Zonal Head.
- e) To monitor the resolution of complaints as per defined TAT.
- f) To ensure that complaints are resolved and closed properly within pre-defined TAT.
- g) To ensure that the complainant is replied properly before closing the complaint in the system.
- h) To report on daily basis to the department in-charge on pendency position and status of the complaints, reasons of pendency, record of follow-up and escalation thereof to the Regional/Zonal GROs, RH, ZH, Concerned Vertical Heads etc.
- i) To note down the minutes of SRCB, follow-up for ATR and compile Agenda for SRCB on quarterly basis.
- j) To conduct quarterly RCA meeting in coordination with CO Verticals as per existing practice.
- k) To review Areas and Sub-Areas defined in CRM Edge package on regular basis, so that the proper classification of complaints and its assignment is made to the right owner. To introduce and develop the Menu's, Sub-Menus' in coordination with the Digitization Team for Business Analytics and Report Generation thereof.

12.4.2 Roles and responsibilities of Banking Ombudsman Complaint Team:

- a) The team to collect pendency position on daily/weekly basis from GROs looking after Complaint Management System of RBI/Banking Ombudsman (BO) complaints.
- b) To follow-up with GROs for reducing pendency of Banking Ombudsman complaints.
- c) To ensure that the Advisories passed are attended to within 15 days from the date of Advisory
- d) To ensure that no Advisory gets converted to Award.

- e) If appeal is preferred by RO/ZO against the advisory/award of Banking Ombudsman: To obtain the recommendation with complete set of documents (supporting documents to appeal) from RH/ZH, in case of Appeal against the Advisory/Award.
- f) To compile the data of Advisories and Awards with complete details.
- g) To analyse the data and present it to the Top Management /SRCB, so that, timely action can be initiated to avoid recurrence of complaints.
- h) To compile monthly data and prepare note thereof for reports.
- i) Any other work assigned from time to time by the superiors/Team Leader.

12.4.3 Roles and responsibilities of CPGRAMS/INGRAM Complaint Team:

- a) To check and monitor all complaints received in the respective portal.
- b) To follow-up with the respective branch, RO, ZO, Vertical for quick redressal of complaints.
- c) Provide resolution to the complainant in the portal and close the same.
- d) To compile monthly data and compile the same.
- e) Any other work assigned from time to time by superiors/Team leader.

13. RBI Integrated Ombudsman Scheme 2021:

We are covered under the Reserve Bank of India Integrated Ombudsman Scheme 2021 and all our branches and offices have been made available with the copy of scheme document. Salient features of the scheme are displayed in branch and also available on our website www.unionbankofindia.co.in

- a) Reply would be issued to customers within 15 days of lodging the complaint, a written request may be given to the Ombudsman for further extension of the initial period of 15 days.
- b) Customer may approach Banking Ombudsman appointed by RBI if they don't get satisfactory response within 30 days from the Bank or if customer wishes to pursue other avenues of grievance redressal.
- c) The Salient features of the Scheme are furnished in Appendix-I.

14. Internal Ombudsman (IO) of the Bank:

- a) The Internal Ombudsman mechanism was set up with a view to strengthen the internal grievance redressal system of Banks and to ensure redressal of complaints of the customers at the highest level authority of the Bank so as to minimize the need for the customers to approach other forum a for redressal.
- b) The appointment of the Internal Ombudsman is made in the Bank as per RBI guidelines on "Internal Ombudsman Scheme, 2018", Chapter-II of the Scheme deals with the appointment of IO in all public and private sector Banks. The Internal Ombudsman of the Bank is usually a retired senior Banker, not less than the rank of a General Manager/Deputy General Manager of a Scheduled Commercial Bank other than our Bank. As per directives from Reserve Bank of India, any complaints rejected fully or partially by the Bank needs to be vetted from the Internal Ombudsman.

- c) In case of partial grant of compensation claim or total rejection claim, the reply has to be vetted and concurred by IO. The reply should mention explicitly that the complaint has been examined by the IO. Such cases need to be forwarded by branches/offices to the AGM CCU, Operations Department, CO.
- d) The Internal Ombudsman, as an independent authority shall review complaints, examine customer complaints which are in the nature of deficiency in service on the part of the Bank (including complaints received from Banking Ombudsman) that are partly or wholly rejected by the Bank. Bank shall internally escalate all complaints, which are not fully redressed to IO (Internal Ombudsman) before conveying the final decision to the complainant. The customers of the Bank need not approach the Internal Ombudsman directly.
- e) The customer, if not satisfied with the settlement offer, will however be at liberty to appeal to the Banking Ombudsman of Reserve Bank of India. The implementation of IO Scheme, 2018 will be monitored by the Bank's internal audit mechanism apart from regulatory oversight by RBI. (Refer Appendix-II)

15. Suspected Fraudulent Transactions and its Treatment:

- a) In case of suspected/fraudulent ATM cash withdrawal transaction, ensure to provide/follow-up for the Shadow Credit within 10 days from the date of transaction
- b) To ensure that the shadow credit is released/reversed within 90 days from the date of complaint. Refer Circular No.2109 dated 28.07.2020 towards shadow credit in case of suspected fraudulent transactions.
- c) In no case the suspected fraudulent transactions complaint shall remain pending beyond 90 days for the reason of internal processes, such as FRMC decision, Delay in FRMC meeting, non-receipt of report from RO's etc.
- d) To take-up the issue to provide the pro-active credit on identification of error point in failed digital transactions.

16. Appeal to the Appellate Authority at RBI:

- a) To ensure that in case of Award (s) passed against the Bank, which can be questioned, such Awards can be challenged. Respective RH to recommend the same to ZH along with the "Draft-Note" and all supportive documents for obtaining approval of MD & CEO. Further, Zonal Office to get the Draft Note, vetted from Chief Law Officer, Law Department, SAMV, Central Office. To submit the duly vetted note to CGM, Operations along with recommendation, for its further submission/approval from MD& CEO.
- b) Chief Law Officer to ensure that on obtaining approval from MD & CEO, the appeal should be filed with Appellate Authority of RBI and the details are informed to office of CGO (IO Team). CLO has to present the case to Appellate Authority, concerned officer (DBD/DIT/Law Officer) has to attend it for any future requirement of RBI Appellate Office. Chief Law Officer to ensure that the case is represented by the concerned officer with the help of Law Officer without fail.

17. Time frame:

Complaints have to be dealt in the right perspective because they indirectly reveal weak spots in the working of the Bank. Complaints received should be analysed from all possible angles. Specific time schedule has been set up for handling complaints and disposing them at all levels including Branches, Regional Offices /Zonal Offices and Central Office (CCU). All officials should try to resolve the complaint within specified time frames decided by the Bank.

17.1 If the complaint is received in writing or through e-mail or orally or over telephone it should be the endeavour of the Bank official to have the complaint entered CRM EDGE, so as to enable tracking and handling by concerned branch/RO/ZO/Customer Care Unit. Bank should also encourage the customer to use the Grievances Online link or Call Centre or other system set up by the Bank from time to time.

17.2 If the complaint is registered in CRM EDGE, after being received through Grievances Online link or Call Centre or other system set up by the Bank, the time schedule will be as per TAT (Turn Around Time) defined for each complaint subhead. The system auto escalates unresolved complaints to the concerned Reporting Officer and then to higher levels including Regional Office/Zonal Office/Central Office.

17.3 Turn Around Time (TAT) in resolving complaints: The Bank will endeavour to redress complaints within a maximum period of 15 business days. However, specific turn-around-time (TAT) has been stipulated by NPCI, RBI and other regulatory authorities.

Time limit for disposal of public grievance received in CPGRAMS/INGRAM portal:

a) All the complaints received through CPGRAMS portal should be resolved promptly within 30 days. In case redressal is not possible within 30 days due to the circumstance beyond the control of the Bank such as sub-judice matters/policy issues etc., an interim reply shall be given to the complainant.

b) All the complaints received through INGRAM portal should be resolved promptly within 45 days.

In case more time is required to redress the complaint, the Bank will intimate the customer.

18. Escalation Matrix:

18.1 Escalation of grievances: The Bank has a three-tier escalation mechanism for customer grievances, as given below:

18.2 Field Level: The complaints forwarded to the Branch through CRM Edge and followed-up from the end of CCU if not resolved in time are escalated to: Dy. Regional Head/Regional Head of the respective Region and further to the Deputy Zonal Head/Zonal Head of the respective Zone. [Branch > GRO (RH) > GRO (ZH)]

18.3 Central Office Level: Complaints assigned to Customer Care Unit Official if not resolved within TAT are escalated to the Head, CCU and further to the Chief Grievance Officer. [CCU > Head (CCU) > CGO]

18.4 Digital Banking Complaints: Complaints assigned to Digital Banking Officials if not resolved within TAT are escalated to the Department In-charge DBD along with Head, CCU and further to the GM, Digital Banking along with Chief Grievance Officer for expeditious resolution. {DBD>> AGM (DBD), DGM (CCU) >> GM (Reconciliation), CGO}

18.5 DIT Related Complaints: Complaints assigned to the Department of Information Technology (DIT) Officials if not resolved within TAT are escalated to the Department In-charge DIT along with Head CCU, and further to the GM (DIT) and Chief Grievance Officer. {DIT>> AGM (DIT), DGM (CCU)>> GM (DIT), CGO}

Note: Customer has right to lodge the complaint at any touch points, hence any user (Branch) throughout the organisation can register a complaint received from any customer of any another branch via phone, email or letters in CRM Edge. (Refer Circular No.04347-2023 dated 29.09.2023)

19. Internal Review Mechanism: Forum to Review Customer Grievances and to Enhance the Customer Experience:

Bank has set up the following committees & review mechanism to monitor and review quality of customer service and grievance Redressal mechanism of the Bank.

19.1 Root Cause Analysis (RCA): Root cause Analysis is an important tool in the hands of the Banks that aims to minimize instances of customer complaints. Bank shall make efforts to conduct root cause analysis in areas where Bank receives large numbers of complaints/ complaints of repetitive nature to identify weak areas if any. This review mechanism will help the Bank in identifying shortcomings (in product features, services or technology) and taking necessary corrective measures to address.

19.2 Branch/RO/ZO Level Customer Service Committee: The Bank recognizes that customers' expectations /requirements /grievances can be better appreciated through personal interactions with customers by Bank's staff. Customer Service Committees shall be set up in all Branches/Regions/Zones to look into the quality of customer service rendered and critically examine the feedback/suggestions for improvement in customer service. Regional and Branch level committees shall meet once in a month, where staff and invited customers shall interact freely on service related issues.

RO/ZO Level Committee would be headed by Regional Head/Dy. RH, Zonal Head/Dy.ZH, Head of MLP, In-charge of Credit, Human Resource (HR), P&D.

19.2.1 Branches/RO to conduct, monthly Customer Service Meeting Generally on 15th day of every month, wherein, improvement areas in the branch services, any suggestion from customer in product improvement, service improvement, ambience of the branch etc. need to be discussed, notes and minutes of the meeting to be prepared. The members of the meeting at the Branch level are Branch Manager, Accountant/Officer Staff, participation from front line staff, Senior Customers (preferably pensioners) & Asset Customer on rotation basis. Branch Head/ Dy. Branch Head shall act as co-ordinator of the meeting at the Branch Level. Dy.RH/P&D In-charge shall act as co-ordinator for meeting at RO's. Minutes of the meeting need to be submitted to ZO for its further submission to SRCB (Stakeholders Relationship Committee of the Board).

The Customer Service Committee headed by Branch head, should meet at least once a month to study complaints/ suggestions, cases of delay, difficulties faced / reported by customers / members of the Committee and evolve ways and means of improving customer service. The Committee acts as a forum to enable customers meet and interact with the senior officials of the Bank with the following objectives:

- a. Collect customer feedback on services provided by the Bank
- b. Reduce information gap between customers and Bank
- c. Most importantly build trust amongst customers

The committees should also submit quarterly reports giving inputs / suggestions to the Standing Committee on Customer Service thus enabling the Standing Committee to examine them and provide relevant feedback to the Stakeholders Relationship Committee of the Board for necessary policy / procedural action.

19.2.2 ZO to conduct quarterly meeting on Customer Service of the zone, wherein participation from ZH, Dy. ZH, BM, RH/Representatives of RO and few of the customers from the zone shall be members of the meeting. The Dy. Zonal Head will act as a co-ordinator for the meeting. The minutes of the meeting needs to be further submitted to CGO (CCU -Team).

19.3 Nodal Officer and other designated officials to handle complaints and grievances.

The Bank nominates Chief Grievance Officer (Principal Nodal Officer) as Nodal Officer of the rank of Chief General Manager/General Manager (or its equivalent) of the Bank who will be responsible for implementation of customer service and complaint handling for the entire Bank. The Bank's designated Grievance Redressal Officer at RO & ZO to handle the complaints/grievances in respect of branches falling under their control. The name and contact details of Grievance Redressal Officers (Nodal Officer(s)) to be displayed on branch notice boards.

The Nodal officer before communicating his decision/ or partial relief, will be referred to the Internal Ombudsman of the Bank for his/her vetting. If the customer is still not satisfied may have option to go to Banking Ombudsman with his complaint or other avenues available for grievance redressal.

19.4 Stakeholders Relationship Committee of the Board :

This sub-committee of the Board is responsible to oversee & guide implementation of service enhancement initiatives across the Bank. The Committee meets once in every quarter to review customer complaints, regulatory mandates, and policy decisions to review Bank's performance on initiatives to enhance customer experience.

This sub-committee of the Board shall periodically review major areas of customer grievances and take measures to improve customer service. The Committee would also examine all issues that have a bearing on the quality of customer service provided to individual depositors and borrowers. The Committee could address any other issues having a bearing on the quality of customer service rendered along with the annual survey of depositor satisfaction and the triennial audit of such services. Further, detail of complaints with its analysis is placed before Stakeholders Relationship Committee of the Board on quarterly basis. This Committee would review the functioning of Standing Committee on Customer Service and oversee the

effectiveness of the grievance redressal mechanism of the Bank and also to bring about ongoing improvement in the quality of customer service.

The Committee, being of highest level, takes care of the issues of standing Committee on Customer Service. The committee would review the minutes of Root Cause analysis and accordingly advise the concerned verticals to resolve the root causes for arresting recurrence of complaints.

19.5 Standing Committee on Customer Service at Central Office:

The Standing Committee on Customer Service will be chaired by Executive Director and other members would consist of Vertical Head of Large Corporate (LCV), Mid Corporate (MCV), Customer Relationship and Business Development (CRBD), Micro, Small and Medium Enterprises (MSME), Operations, Reconciliation, Department of Information & Technology (DIT) and Human Resource(HR). The meeting will be coordinated by the DGM/AGM from Operations Vertical as per the extant guidelines. The quorum for the meeting would be minimum four members. The committee would meet once in every quarter. The committee would have the following functions:

- a) Evaluate feedback on quality of customer service received from various quarters. The Committee would also review comments/ feedback on customer service.
- b) The Committee would be responsible for ensuring that all regulatory instructions regarding customer service are followed by the Bank. Towards this, the Committee would obtain necessary feedback from Regional Heads/ Zonal Heads [wherever in existence]/ functional heads.
- c) The Committee also would consider unresolved complaints/ grievances referred to it by functional heads responsible for redressal and offer its advice.
- d) The Committee would submit report on its performance to the Stakeholders Relationship Committee of the Board at quarterly intervals.

20. Feedback on Social Media:

A dedicated team works 24X7 for taking up the issues posted on social media platforms like Face Book, Twitter, Instagram & YouTube etc. These issues are taken up for providing solution with the respective verticals for immediate resolution.

21. **Mandatory display requirements:** The Bank has made it mandatory to display the following information at branches and also available on our website www.unionbankofindia.co.in :

- a) Appropriate arrangements for receiving complaints and suggestions.
- b) Name, address, e-mail and contact number of Nodal Officer/GROs for grievance redressal.
- c) Details of RBI Integrated Ombudsman scheme including website (<https://cms.rbi.org.in>)
- d) Notice boards at all branches for display of necessary information including Grievance redressal mechanism.
- e) Details including name, address, e-mail and contact number of Principal Nodal Officer/Chief Vigilance Officer.

22. Escalation to Regulator:

In case the customer is not satisfied with the response from the Bank (duly examined by Internal Ombudsman), customer may approach the Banking Ombudsman (RBI). The details of BO are made available on the Bank's website, displayed on the notice board at the Branch/Offices.

The Bank shall, accordingly, modify its Grievance Redressal Process in the light of any change as per notification by the Regulators or as per requirement of the Bank as such.

23. Closure of grievance:

Every grievance shall be disposed-off within a period of 30 days of its receipt and a final reply shall be sent to complainant, containing details of resolution or rejection of the complaint, with reasons thereof recorded in writing. A grievance shall be considered as disposed-off and closed in any of the following instances namely:

- a) When the Bank has acceded to the request of the complainant fully;
- b) Where the complainant has indicated in writing, its acceptance of the response of the Bank;
- c) Where the Nodal Officer has certified under intimation to the subscriber that the Bank has discharged its contractual, statutory and regulatory obligations and therefore closes the complaint;
- d) Where the complainant has not preferred any appeal within 45 days from the date of receipt of resolution or rejection of the grievance communicated by the Bank.

Provided that the closure shall not be applicable where the Ombudsman or the Authority, as the case may be, has allowed filing of the appeal/ revision, beyond specified period.

Note: Customer can re-open the complaint in case of non-satisfaction in CRM Edge package.

24. New Additions/Initiatives for Handling Customer Grievance:

- a) **CRM Edge:** Bank has revamped its complaints management and handling mechanism via CRM Edge portal. The portal is equipped with modern state-of-the-art features and tools to monitor the complaint at various level and automatically escalates the complaint based on the TAT.
- b) **UPI Transaction status portal:** A new portal has been developed by the Bank for the staff to view the status of UPI transactions on real-time basis which would aid in customer service and quick redressal of grievances. (IC 06457-2023 dated 21.10.2023)

25. Periodicity of Review of the Policy:

The existing policy was last reviewed on 02.03.2023 and is valid upto 31.03.2024. However, the revision of the policy will become effective from the date of adoption of this policy and shall be valid up to 31.03.2025 or the date of amendment whichever is earlier. The further continuity of the policy may also be extended for a further period not exceeding three months with the specific approval of Managing Director & Chief Executive Officer of the Bank.

Classification: Internal

CHAPTER-III

CUSTOMER RIGHTS POLICY 2024-25

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Operations Department, Mangladevi Temple Road, Pandeshwar, Mangaluru.

CUSTOMER RIGHTS POLICY 2024-25

1. Introduction:

Customer protection is an integral aspect of financial inclusion. The business of bank entirely depends on the customer. To protect the rights of customer has become an integral aspect of financial services provided by the bank. The following comprehensive Customer Rights Policy based on domestic experience and global best practices is brought out to enhance such protection.

Customer Rights Policy identifies the intrinsic rights, a customer gets during and after termination of his/her banking relationship. The policy also defines the ways to deal honestly and fairly with the customer.

The policy is based on the guiding principles enlisted in the RBI “Master Circular on Customer Service in Banks” circulated vide RBI/2015-16/59/DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July, 2015.

The policy also aims to create a fair and conducive environment for the customers in obtaining satisfactory customer services through various banking channels.

2. Objective of the Policy:

The objective of the policy is to document/enhance basic rights of the customers of the Bank regulated by the Reserve Bank of India. The policy is based on domestic experience and global best practices brought out to enhance customers’ protection. The policy envisages that a customer should be dealt fairly, sympathetically and all dealings with the Bank are done in an honest and transparent manner. The policy also advises to communicate all terms, conditions, pricing & features of a product/service, location of the service outlets, policies and marketing & promotional material etc. in clear and unambiguous language.

3. Scope of the Policy:

In traversing the policy principles, the customer has been conferred with the right to escalate and get his grievance redressed in a timely and fair manner without demur.

The Policy applies to all products and services offered by the bank or its agents, whether provided across the counter, over phone, by post, through interactive electronic devices, on internet or by any other method/mode.

4. Customer Rights:

4.1 Right to Fair Treatment:

Both the customer and the Bank have a right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds such as gender, age, religion, caste and physical ability when offering and delivering financial products.

In pursuance of the above Right, bank will -

- 4.1.1 Promote good and fair banking practices by setting minimum standards in all dealings with the customers.
- 4.1.2 Promote a fair and equitable relationship between the bank and the customer.
- 4.1.3 Train bank staff attending to the customers, adequately and appropriately.
- 4.1.4 Ensure that staff members attend to customers and their business promptly and courteously.
- 4.1.5 Treat all customers fairly and not discriminate against any customer on grounds such as gender, age, religion, caste, literacy, economic status, physical ability, etc. Bank may, however, have special schemes or products which are specifically designed for members of a target market group or may use defensible, commercially acceptable economic rationale for customer differentiation. Bank may also have schemes or products as part of an affirmative action such as for women or backward classes. Such schemes/products will not tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by bank wherever required.
- 4.1.6 Ensure that the above principle is applied while offering all products and services.
- 4.1.7 Ensure that the products and services offered are in accordance with relevant laws and regulations.
- 4.1.8 Ensure to enhance customer awareness of their rights, particularly among hitherto marginalized customers, financially illiterate and semi-illiterate sections of the society by making available the pictorial presentation of basic rights contained in the code of Bank's commitment to customers.
- 4.1.9 Promote Safe and Fair customer dealing in case of banking in a digital environment.

While it shall be the endeavor of the bank to provide their customers with hassle free and fair treatment, bank would expect their customers to behave courteously and honestly in their dealings with the bank.

It shall also be the bank's endeavor to encourage their customers to approach the bank's internal grievance redressal machinery and approach alternate forum after exhausting all their remedies under bank's internal grievance mechanism.

4.2 Right to Transparency, Fair and Honest Dealing:

The Bank would make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and financial service provider, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the bank will not threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.

In pursuance of the above Right, the bank will -

- 4.2.1 Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the bank.
- 4.2.2 Ensure that the bank's dealings with the customer rest on ethical principles of equity, integrity and transparency.
- 4.2.3 Provide customers with clear information about its products and services, terms and conditions, and the interest rates / service charges in simple and easily understandable language, and with sufficient information so that the customer could be reasonably expected to make an appropriate and informed choice of product.
- 4.2.4 Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language;
- 4.2.5 Make known the key risks associated with the product as well as any features that may especially disadvantage the customer to him/her. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that such terms will not inhibit a customer's future choice.
- 4.2.6 Provide information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines or help-desk and where appropriate the customer will be informed directly.
- 4.2.7 Display the tariff Schedule on their website and a copy of it will be made available at every branch for customer's perusal. Also will display in its branches a notice about the availability of the Tariff Schedule at the branch.
- 4.2.8 Give details, in their Tariff Schedule, of all charges, if any, applicable to the products and services chosen by customer.
- 4.2.9 Inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS or email as agreed by the customer at least one month prior to the revised terms and conditions becoming effective.
- 4.2.10 Ensure that such changes are made only with prospective effect after giving notice of one month. If the bank has made any change without giving such notice which is favorable to the customer, it will notify the change within 30 days of

such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided and the customer may be provided options, to close the account or switch to any other eligible account without having to pay the revised charge or interest within 60 days of such notice.

- 4.2.11 Provide information about the penalties leviable in case of non-observance / breach of any of the terms and conditions governing the product / services chosen by the customer.
- 4.2.12 Display on public domain the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession.
- 4.2.13 Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly.
- 4.2.14 Ensure to communicate to the applicant within a reasonable time period as decided by the bank about the acceptance / non-acceptance of applications submitted for availing a product / service and convey in writing the reasons for not accepting / declining the application. Such period will be notified in the bank's website and also in the application of the particular product or service
- 4.2.15 Communicate unambiguously the information about -
 - a. Discontinuation of particular products,
 - b. Relocation of their offices
 - c. Changes in working hours
 - d. Change in telephone numbers
 - e. Closure of any office or branch

- With advance notice of at least 30 days.

Also affirm that disclosure of information is an on-going process through the life-cycle of the product / relationship and will be diligently followed by them. Ensure to use all possible channels of communication, including web-site, to ensure that information on all changes are made known to the customer upfront.

- 4.2.16 Advise the customer at the time of selling the product regarding the rights and obligations embedded in law and/or banking regulation including the need to report any critical incidents that the customer suspect, discover or encounter.
- 4.2.17 The bank's staff members shall, when approached by the customer for availing a product or service, provide all relevant information related to the product / service and also provide direction to informational resources on similar products available in the market with a view to enable the customer to make an informed decision.
- 4.2.18 Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer.
- 4.2.19 Assist the customer in all available ways for managing his/her account, financial

relationship by providing regular inputs in the bank's realms such as account statements/passbooks, alerts, timely information about the product's performance, term deposits maturity etc.

- 4.2.20 Ensure that all marketing and promotional material is clear and not misleading.
- 4.2.21 Not threaten the customer with physical harm, exert influence or engage in behavior that would reasonably be construed as unwarranted harassment. Ensure adherence only to the normal appropriate business practices.
- 4.2.22 Ensure that the fees and charges on products/services and its structure are not unreasonable to the customer.
- 4.2.23 Ensure that our advertisements will also include any relevant messages which require to be conveyed for enhancing awareness against unscrupulous/ fictitious offers.

4.3 Right to Suitability:

The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.

In pursuance of the above Right, the bank will -

- 4.3.1 Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale.
- 4.3.2 Endeavour to make sure that the product or service sold or offered is appropriate to the customer's need and not inappropriate to the customer's financial standing and understanding based on the assessment made by it. Such assessment will be appropriately documented in the records.
- 4.3.3 Sell third party products only if it is authorized to do so, after putting in place a Board approved policy for marketing and distributing third party financial products.
- 4.3.4 Not compel a customer to subscribe to any third-party product as a quid-pro-quo for any service availed from the bank.
- 4.3.5 Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations.
- 4.3.6 Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.
- 4.3.7 Adhere to all statutory guidelines of RBI, IRDA, SEBI etc. on para banking activities like sale of insurance/mutual fund/other third-party investment products.

4.4 Right to Privacy:

Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the

right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.

In pursuance of the above Right, bank will -

- 4.4.1** Treat customer's personal information as private and confidential (even when the customer is no longer banking with us), and, as a general rule, not disclose such information to any other individual/institutions including its subsidiaries / associates, tie-up institutions etc. for any purpose unless:
 - a. The customer has authorized such disclosure explicitly in writing
 - b. Disclosure is compelled by law / regulation;
 - c. Bank has a duty to the public to disclose i.e. in public interest
 - d. Bank has to protect its interests through disclosure
 - e. It is for a regulatory mandated business purpose such as disclosure of default to credit information companies or debt collection agencies;
- 4.4.2** Ensure such likely mandated disclosures be communicated immediately to the customer in writing.
- 4.4.3** Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it.
- 4.4.4** Shall adhere to Telecom Commercial Communications Customer Preference Regulations, 2010 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

4.5 Providing Banking Facility for Senior Citizens and Differently abled Persons:

The financial services provider should make every effort to ensure that there should not be any occasion that bank discourage or turn away senior citizens and differently abled persons from availing banking facilities in branches. Notwithstanding the need to push digital transactions and use of ATMs, it is imperative to be sensitive to the requirements of senior citizens and differently abled persons.

In pursuance of the above Right, bank will -

- 4.5.1** Provide a clearly identifiable dedicated counter or a counter which provides priority to senior citizens and people who are differently abled including visually impaired persons.
- 4.5.2** Provide pensioners the facility to submit physical Life Certificate form at any branch of the pension paying bank and should ensure that the same is updated promptly by the receiving branch in the Core Banking Solution (CBS) system of the bank, resulting in avoidable hardship to the pensioners and to avoid any delay in credit of pension.
- 4.5.3** Provide the facility to issue cheque books to customers, whenever a request is received, through a requisition slip which is part of the cheque book issued earlier or request received by any other mode. Provide minimum one cheque book every year, if requested, in savings bank account, by these customers. And should not insist on physical

presence of any customer including senior citizens and differently abled persons for getting cheque books.

- 4.5.4 Provide the facility to automatically convert the A/c into a 'Senior Citizen Account' once the customer becomes senior citizen, based on the date of birth available in bank's records.
- 4.5.5 Provide the facility to allow operations in visually impaired customer's accounts through identification of thumb/toe impression/mark by two independent witnesses and authorizing a person who would withdraw the amount on behalf of such customers.
- 4.5.6 Provide senior citizens and differently abled persons, Form 15G/H once in a year (preferably in April) to enable them to submit the same, where applicable, within the stipulated time.
- 4.5.7 Provide doorstep banking to senior citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability), such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents and Life certificate at the premises/ residence of such customers on case to case basis as per the need based requirement of the customer.

4.6 Right to Grievance Redressal and Compensation:

The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate redress of grievances stemming from its sale of third-party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

In pursuance of the above Right, bank will –

- 4.6.1 Deal sympathetically and expeditiously with all things that go wrong;
- 4.6.2 correct mistakes promptly;
- 4.6.3 cancel any charge that has been applied wrongly and by mistake;
- 4.6.4 Compensate the customer for any direct financial loss that might have been incurred by the customer due to its lapses.

The bank will also -

- 4.6.5 Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer.
- 4.6.6 Place in public domain the compensation policy for delays / lapses in conducting / settling customer transactions within the stipulated time and in accordance with the agreed terms of contract.
- 4.6.7 Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who should be approached by the

customer.

- 4.6.8 Make grievance redressal mechanism easily accessible to customers.
- 4.6.9 Advise the customer about how to make a complaint, to whom such a complaint is to be made, when to expect a reply and what to do if the customer is not satisfied with the outcome.
- 4.6.10 Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer. The time limit for resolution of complaints will be clearly displayed / accessible at all service delivery locations.
- 4.6.11 Inform the complainant of the option to escalate his complaint to the Banking Ombudsman if the complaint is not redressed within the pre-set time.
- 4.6.12 Place in public domain information about Banking Ombudsman Scheme.
- 4.6.13 Display at customer contact points the name and contact details of the Banking Ombudsman under whose jurisdiction the bank's branch falls.

Further, the bank will -

- 4.6.14 Acknowledge all formal complaints (including complaints lodged through electronic means) within three working days and work to resolve it within a reasonable period, not exceeding 30 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 30 day period will be reckoned after all the necessary information sought from the customer is received.
- 4.6.15 Provide aggrieved customers with the details of the Banking Ombudsman Scheme for resolution of a complaint if the customer is not satisfied with the resolution of a dispute, or with the outcome of a dispute handling process.

In addition, the bank will

- a. Clearly spell out, at the time of establishing a customer relationship, the liability for losses, as well as the rights and responsibilities of all parties, in the event of products not performing as per specifications or things going wrong. However, the bank will not be liable for any losses caused by extraneous circumstances that are beyond its reasonable control (such as market changes, performance of the product due to market variables, etc.).
- b. Ensure the customer is refunded without delay and demur, if it cannot show beyond reasonable doubt to the customer on any disputed transaction (along with interest/charges).

5 Validity & Review of the Policy:

The policy shall be reviewed annually in tune with the regulatory guidelines issued from time to time or internal requirements or as and when considered necessary.

The Customer Rights Policy will be valid upto 31st March, 2025.

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Appendix-I

Abbreviation

Abbreviation	Description
MITC	Most Important Terms and Conditions
SMS	Short Messaging Service
EMAIL	Electronic Mail
KYC	Know Your Customer
ATM	Automated Teller Machine
RBI	Reserve Bank of India
IRDA	Insurance Regulatory and Development Authority
SEBI	Securities and Exchange Board of India

Appendix-II

A. List of references including related policies/forms, RBI circulars, etc.

- “Master Circular on Customer Service in Banks” circulated vide RBI/2015-16/59/DBR No.Leg.BC.21/09.07.006/2015-16 dated 1st July 2015.
- Telecom Commercial Communications Customer Preference Regulations 2010 (National Consumer Preference Registry) issued by Telecom Regulatory Authority of India.

B. Frequently Asked Questions

Sr.No.	FAQ	Reply
1	Can branch deny a transgender/third gender from opening an account with us?	The policy confers the right to be treated fairly without any discrimination on the grounds of gender, age, religion, caste and physical disability when offering and delivering financial products.
2	Does the policy confers any right to treat Bank uncourteously?	While it shall be the endeavour of the Bank to provide their customers with hassle free and fair treatment, bank would expect their customers to behave courteously and honestly in their dealings with the bank.
3	Can the MITC/ charges/ tariff be changed without informing the customer?	The customers are required to be informed of any change in terms and conditions. We inform the same via: <ul style="list-style-type: none"> ➤ Website of the Bank, ➤ SMS, Email, ➤ Branch Notice Board ➤ Newspaper etc. The changes are to be intimated 30 days in advance of such changes.
4	Is it mandatory for the customer to subscribe to such changed tariff or MITC and pay the penalties effected, if any?	No, the customer will be provided an option to close the account or switch to any other eligible scheme without having to pay the revised charges or interest within 60 days of such advance notice with respect to change in charges/ tariff/ MITC.
5	Can the Bank discontinue/ change a product/ existing branch location/ working hours/ contact details or closure any office without information to its customers?	No, an advance notice of 30 days has to be given to its customers. The policy also affirms that disclosure of information is an on-going process throughout the life-cycle of the product/ relationship and will be diligently followed by Bank.

6	Can the Bank use customer information for marketing purpose?	The customers' personal information is to be kept confidential unless they specifically authorized for it.
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C. Banks initiative to reach out to Customers: Support systems for Customers

1. Grievance Redressal:

- **Call Centers** (by calling on toll free No.1800-2222-44/1800-208-2244/1800-425-1515 Dedicated No. for NRI: +91-8061817110)
 - **Online Complaint** can be lodged through Union Bank of India web-site on the following link. An option of Online Grievance is made available under the Title GRIEVANCE REDRESSAL.
www.unionbankofindia.co.in/english/grievances-redressal.aspx
 Also, customers can seek grievance redressal or register service requests through VYOM (mobile Banking Application) & UVConn (Whatsapp banking).
 - **Chief Grievance Officer (CGO)/Grievance Redressal Officers:** The address and the contact details of the Chief Grievance Officer and Grievance Redressal Officer, of the respective Regions/Zone is made available on web site. i.e. www.unionbankofindia.co.in/english/grievances-redressal.aspx with a sub-link of Grievance Officers.
 - **By sending physical copy to:** The Chief Grievance Officer,
 Union Bank of India,
 Operations Department,
 Mangladevi Temple Road,
 Pandeshwar,
Mangaluru - 575001.
- Or
- By sending mail to cgo@unionbankofindia.bank
- **Banking Ombudsman:** Centralized Receipt and Processing Center (CRPC) Reserve Bank of India, 4th floor, Sector-17, Chandigarh 160017
 Or online through RBI CMS portal <https://cms.rbi.org.in>
 - **Branch/Offices:** Customers can reach out to the front-line staff at the branches and resolve the issues if any. Also, branch halls are provided with the address of the Regional Head/Zonal Head and CGO for escalation of the issue, if not resolved at the branch level.
 - **Customer Care Unit:** Customer can lodge the complaints directly to the customer care unit by writing mail on: customer-care@unionbankofindia.bank

2. Rates/Service Charges related

- **Interest Rates-** Interest rates are subject to change and are updated on our website.

Customers can ascertain the rates through the website link by clicking on:
<https://www.unionbankofindia.co.in/english/interest-rate.aspx>

- **Fees and Services:** Customers can access fees and applicable service charges such as Debit card service charges, Service charges on Inland Service, Service charges relating to Foreign Exchange, Demat charges, Schedule of charges and Fees for Inland Rupee advances from our website or by clicking on:
<https://www.unionbankofindia.co.in/english/fees-and-services.aspx>

Interest Rate for Govt. Business Scheme: Rate of interest on Govt. deposit schemes is managed by Govt. of India and updates Quarterly as notified by GOI from time to time. Customers can access the rates from the website or by clicking on :

<https://www.unionbankofindia.co.in/english/government-saving-scheme.aspx>

3. Information related

- **Door Step Banking:** Customer at any location can easily avail banking services such as cash withdrawal, Digital Life Certificate for pensioners, non-financial services using Mobile Application, Web based Portal and contacting Call Centre through authorized agents (service providers) at his/her own choice of address/location under Door Step Banking at identified centers.
- **Accounts & Deposits:** Customers can access information regarding Saving Bank Deposit products, Current Deposit products, Term Deposit products from the website or by clicking on:
<https://www.unionbankofindia.co.in/english/saving-bank-deposit-products.aspx>
- **Schemes/Product/Services:** Customer can also be informed of Bank's International presence in terms of Exports services (Post shipment finance, Online DGFT payment, Packing Credit facility), Import services (Bills Collection/Payment, Letter of Credit, External Commercial Borrowings), Authorised Dealing Branches, Overseas Branches under the website or by clicking on:
<https://www.unionbankofindia.co.in/english/international-schemes.aspx>
- **Treasury & Other Products:** For information regarding Treasury products & Services like Forward Contract, Interest Rate Swaps, Currency Futures, Options etc. customers can reach out to our website or by clicking on:
<https://www.unionbankofindia.co.in/english/international-treasury-other-services.aspx>
- **Remittances:** Union Bank is a member of the SWIFT network for worldwide transfer of funds. Customers can access information from the website or by clicking on :
<https://www.unionbankofindia.co.in/english/inter-remittances.aspx>
- **Branch/ATM Locator:** Our Branch/ATM can be easily located by accessing to website or by clicking on: <https://app.mapmyindia.com/UBI/index.htm>

4. Investor related

- **Shareholders' Information:** For information regarding Credit Rating, Listing at Stock Exchanges, Details of Depositories, Shares and Dividend, Advertisement in newspaper

etc. customers can reach out to our website or by clicking on **Investor Relations>Shareholders' Information-** OR,

<https://www.unionbankofindia.co.in/english/shareholders-information.aspx>

- **Financial Results:** Customers can access bank's performance Quarterly/Half Yearly/Annually from the website link by clicking on **Investor Relations>Financial Results-** OR,
<https://www.unionbankofindia.co.in/english/financial-result.aspx>
- **Annual Reports:** Annual Reports of the bank for previous years can be viewed from the website link by clicking on **Investor Relations>Annual Reports-** OR,
<https://www.unionbankofindia.co.in/english/aboutus-investor-annualreports.aspx>
- **Quarterly/Half Yearly Communication to Shareholders:** Shareholders can access Banks's Quarterly/Half Yearly Communication by clicking on the website link **Investor Relations>Quarterly/Half Yearly Communication to Shareholders-** OR,
<https://www.unionbankofindia.co.in/english/half-yearly-communication.aspx>
- **General Meetings:** Meeting minutes of previously held Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) can be viewed from the website link by clicking on **Investor Relations>General Meetings-** OR,
<https://www.unionbankofindia.co.in/english/general-meeting.aspx>

5. Digital Channels

- **Mobile Banking Application - VYOM:** One such initiative for providing easiest banking services like Fund Transfer, Recharge & Bill Payment, m-Passbook, Making Loan Request, Opening New FD Account, m-Shopping, Raising Service Request, Applying Credit Card/Debit Card, Cheque Book application, Enroll for Govt. Schemes such as PMJJBY/PMSBY, Bank's wide range of Products can easily be accessed by the customers by downloading VYOM Application for android/ios users.
- **Union Bank Internet banking:** Customers can avail facilities such as Self User Creation, Retail User/Corporate User Login, Register for Mobile Banking, etc. by clicking on the website link- <https://www.unionbankonline.co.in>
- **UVConn-Whatsapp Banking:** Bank has launched UVConn (Union Virtual Connect) for providing list of banking services (Enquiries, Requests, Card Services, Auxillary Services, Loan Services, Account settings) to the customers through whatsapp banking. Currently many services are available including- Account balance, Chequebook requests, Block debit card, Apply for loan, Housing loan, Rest MPIN, etc.

6. Digital banking Units (DBU):

Digital Banking Unit (DBU) is a specialized fixed-point business unit / hub housing certain minimum digital infrastructure for delivering as well as servicing existing financial products & services digitally, in both self-service and assisted mode.

- Bank is live (in East Godavari, Machilipatnam, Palakkad, Bhopal, Nagpur, West Tripura, Patiala) with following kiosks in DBU in Self Service Modes:
- 1. ATM

- 2. CRM (Cash Recycling Machine)
- 3. Self-Passbook Printing Kiosk
- 4. Multifunctional Kiosk
- 5. Interactive Tabs
- 6. Internet Banking Kiosk/PC.
- 7. Uni-Verse through Virtual Reality (VR) Headset

7. Branches of Union Bank

- **Display of Notice Boards:** Notice Boards are displayed at Branches on Service Charges, Rates and for escalation of grievance: detailed address of the Regional Head, Chief Grievance Officer along with telephone numbers, email id and complete address.
- **Front Line Staff at Branches:** Front Line staff at Branches can be contacted for resolving the difficulties by the customers immediately. Most of the branches are having “May I Help You” counter and Senior Citizen Counter in place for better customer service.
- **NEDU (Network Electronic Display Unit) at Branches:** An electronic screen is displayed at the Branches, which is directly connected with the finacle network where, updated Interest Rates and information on product and services is displayed.