

**Pune People's Co-Op Bank Ltd.,Pune**  
**(Multistate)**

**Customer Protection Policy**

**Prepared By:** Mr. Kailas Pawar (Deputy General Manager (IT))

**Approved By:** Board of Directors

**Issue Date: 20.03.2020**

# Amendment

Amendment No.	Release Date	Description Of Change	Prepared By	Approved By
<b>V1.0</b>	20-03-2020	Customer Protection Policy	DGM (IT)	Board of Directors
<b>V1.1</b>	25-03-2022	Review No change	DGM (IT)	Board of Directors
<b>V1.2</b>	24-03-2023	Implementation of security and safeguards	DGM (IT)	Board of Directors
V1.3	22-02-2024	Review of Policy	DGM (IT)	Board of Directors
V1.4	04-01-2025	Updated with Harmonisation of Turn Around Time (TAT) and customer compensation	DGM (IT)	Board of Directors
V1.5	25-03-2025	No change only review	DGM (IT)	Board of Directors
V1.6	24-09-2025	Updated with Harmonisation of Turn Around Time (TAT) and customer compensation	DGM (IT)	Board of Directors

## Table of Contents

Sr.No.	Index	Page No.
1.	<b>INTRODUCTION</b>	4
2.	<b>OBJECTIVES</b>	4
3.	<b>COVERAGE OF THE POLICY</b>	4
4.	<b>UNAUTHORIZED/ ERRONEOUS DEBITS</b>	4
5.	<b>ECS DIRECT DEBITS/ OTHER DEBITS TO ACCOUNTS</b>	5
6.	<b>POINTS COVERED UNDER THE POILICY</b>	5

# **Customer Protection Policy - Limiting Liability of Customers of Co-operative Banks in Unauthorized Electronic Banking Transactions**

## **1: INTRODUCTION**

The Bank's endeavor has been to provide efficient services to its customers by making best possible usage of its technology infrastructure. In order to increase the efficiency of the Bank's operations and improve the level of customer service, a policy has been framed to compensate adequately to any customer who faces deficiency in Banking Services.

## **2: OBJECTIVES**

The primary objective of this policy is given below:

- a) Establish a system whereby the Bank compensates the customer for any financial loss might ensure due to proven deficiency in service on the part of the Bank or any act of omission or commission directly attributable to the customer.
- b) This policy will be applicable to all customers of the Bank. It is based on the principles of transparency and fairness in the treatment of customers and their genuine grievances.
- c) It is therefore imperative and for all branches / Head Office to ensure that prompt and efficient service is rendered to all customers at all times.

However, it must be understood and is reiterated that this policy covers only compensation for financial losses which customers might incur due to deficiency in services offered by the Bank.

## **3: COVERAGE OF THE POLICY**

This policy cover areas relating to unauthorized / erroneous debiting of accounts, payment of Cheques after acknowledgement of stop payment of instructions, compensation for settlement of disputed ATM transactions, delay in ECS direct debits / other debits to accounts, lending, any other services provided by the bank etc.

## **4: UNAUTHORIZED/ ERRONEOUS DEBITS**

If the Bank has raised an unauthorized / erroneous debit to an account, the entry will be reversed immediately on being detected / informed, after due verification. If such a debit has resulted in a financial loss to the customer by way of reduction in the balance applicable for payment of interest on savings bank deposit or payment of additional interest to the Bank in a loan account will compensate the customer to that extent.

Further, if the customer has suffered any loss incidental to return of a Cheques or not carrying out of direct debit instructions due to insufficiency of balance on account of the unauthorized / erroneous debit, Bank will compensate the customer to the extent of such

financial loss, besides refunding the Cheques return charges. However customer will not be entitled to claim any compensation for loss of reputation or loss of profit.

In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank will endeavor to complete the process of verification within a maximum period of 7 working days from the date of reporting of erroneous debit. In case, the verification involves a third party, the bank will complete the verification process within a maximum period of one month from the date of reporting of erroneous transaction by the customer.

## **5: ECS DIRECT DEBITS/ OTHER DEBITS TO ACCOUNTS**

(For the purpose of this policy)

- a) The bank will undertake to carry out direct debit / ECS debit instructions of customers in time.
- b) If 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. Such compensation may be equivalent to the interest calculated on the amount to be debited, for the delayed period, at applicable Savings Bank rate, with minimum of Rs. 100/-, subject to a maximum of Rs.1,000/-.
- c) The Bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the bank.
- d) In the event the Bank levies any charge in violation of the arrangement or inadvertently, Bank will reverse the charges, subject to scrutiny of agreed terms and conditions, and compensate the customer by a sum equal to the charges reversed.

## **6: POINTS COVERED UNDER THE POLICY**

**6.1:** Bank's measures to ensure safety and security of electronic banking transactions: For ensuring safety and security of electronic banking transactions carried out by the customers, the Bank has implemented various safeguards and Policy - procedures through documented IT Security policies and procedures duly approved by the Bank's Board of directors.

Some of the security measures in respect of electronic banking transactions are given below -

Bank has implemented System to analyses/monitor daily transactions to identify suspicious transactions.

- . Monitoring of network is regularly carried out to check authenticity of source of transaction.
- . SMS alerts are sent to customers for every electronic banking transaction carried out by them.
- . The Risk Assessment and analysis in respect of security of IT systems is carried out every six months and also whenever the situation demands.

**6.2:** Bank's efforts for creating customer awareness on the risks and responsibilities involved in electronic banking transactions:

- The customers, who wish to carry out electronic banking transactions, are mandatorily asked by the Bank to register their mobile number for receiving SMS alerts.
- The Bank will regularly (yearly) conduct awareness programmed on carrying out safe electronic banking transactions to its customers and staff. The Bank repeatedly advises its customers about the risks and responsibilities involved in electronic banking transactions by various means such as –
  1. Frequent SMS alerts sent to customer regarding importance of maintaining confidentiality of data such as card no, pin, cvv, user id and password.
  2. Monitoring of individual customers who require help at branch level
  3. Training programs for the customers
  4. Notifications on web-site.
  5. Customer education through user manuals prescribed by NPCI.

**6.3:** Customer liability in cases of unauthorized electronic banking transactions:

In spite of all the efforts, described in above paragraph, if any unauthorized electronic transaction takes place in the customer's account, the customer should inform the Bank at the earliest by any of the following means -

- By calling bank's 24 / 7 available helpline no.
- By calling mobile nos.
- By calling Landline no
- By personally reporting to home branch during working hours of the Branch.

On receipt of report of an unauthorized transaction, the Bank will take immediate steps to prevent further unauthorized transactions in the account.

**6.4:** Customer liability in cases of unauthorized electronic banking transactions resulting in debits to customers' accounts.

If, unfortunately, an unauthorized transaction results in debit to his/her account, the liability of the customer shall be measured as per given below –

**A) ZERO LIABILITY OF A CUSTOMER**

Customer will have no liability when the unauthorized transaction takes place in the following scenarios:

1. Contributory fraud/negligence/deficiency on the part of bank
2. Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

**B) LIMITED LIABILITY OF CUSTOMER**

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

1. 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 the customer notifies the bank of such a transaction and when there is a delay beyond three working days in reporting by the customer, i.e. if a customer notifies the Bank after three working days but before expiry of 7 working days of receiving a communications of the transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount as shown below in table, whichever is lower.

Maximum liability of a customer under paragraph 6.4

Type of account	Maximum liability (Rs.)
-----------------	-------------------------

Basic Savings Bank Deposit Account 5,000

- All other Savings Bank accounts 10,000 Current / Cash Credit / Overdraft accounts of individuals with average balance (during 365 days preceding the incidence of fraud) / limit up to INR. 10,000.
- All other Current / Cash Credit / Overdraft Accounts maximum limit up to INR 25,000/- dependences upon total loss of the customer Current / Cash Credit / Overdraft Accounts.

Type of account	Maximum liability (Rs.)
Savings account	5000
All other SB accounts	10,000
All other Current/ Cash Credit/ Overdraft Accounts	25,000

#### C) COMPLETE LIABILITY OF CUSTOMER

1. 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.  
Mobile 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.
2. In cases where the responsibility for 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 on the part of the customer in reporting to the Bank beyond 7 working days, the customer would be completely liable for all such transactions. It will be treated as 100% customer liability.

#### D) ADDITIONAL POINTS

- i) 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 including but not limited to police complaint to cybercrime department (FIR copy is required) and cardholder dispute form.
- ii) Compensation would be limited to real loss after deduction of reversals or recoveries received by the customer.

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

#### **6.5 REVERSAL TIMELINE FOR ZERO LIABILITY AND LIMITED LIABILITY OF CUSTOMERS:**

On being notified by the customer, the Bank shall credit (shadow reversal) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer. The credit shall be value dated to be as of the date of unauthorized transaction. However, the customer will not be able to withdraw it unless the complaint is fully resolved.

1. . The Bank shall ensure that –

- (i) A complaint is resolved and liability of the customer if any, established within 90 days from the date of receipt of the complaint and the customer is compensated as per provisions of paragraphs no 6.4 (B).
- (ii) Where the Bank is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in clause 6.4 is paid to the customer; and
- (iii) In case of debit card / bank account, the customer does not suffer loss of interest, and in case of credit card, the customer does not bear any additional burden of interest.

#### **6.6 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:

- a) Application frauds;
- b) Account takeover;
- c) Skimming / cloning;
- d) External frauds / compromise of other systems, for e.g. ATMs / mail servers etc. being compromised.

#### **6.7 RIGHTS & OBLIGATIONS OF THE CUSTOMER**

- a) Customer is entitled to:
  - i) SMS alerts on valid registered mobile number for all financial electronic debit transactions;
  - ii) Email alerts where valid email Id is registered for alerts with the Bank;
  - iii) Register complaint through the modes specified in this document;
  - iv) Intimation at valid registered email/ mobile number with complaint number and date & time of complaint.
  - v) 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 clause 18.6.4;

b) Customer is bound by following obligations with respect to banking activities:

- i) Customer shall mandatorily register valid mobile number with the Bank.
- ii) Customer shall regularly update his /her registered contact details as soon as such details are changed. Bank will only reach out to customer at the last known email/ mobile number. Any failure of customer to update the Bank with changes shall be considered as customer negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability.
- iii) 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.
- iv) Customer should co-operate with the Bank's investigating team and provide all assistance.
- v) Customer must not share sensitive information (such as Debit/Credit Card details & PIN, CVV, Net-Banking Id & password, OTP, transaction PIN, challenge questions) with any entity, including bank staff.
- vi) Customer must protect his/her device as per best practices specified on the Bank's website, including but not limited to updating of latest antivirus software on the device (Device includes smart phone, feature phone, laptop, desktop and Tab)
- vii) Customer shall abide by the tips and safeguards mentioned on the Bank's website
- viii) Customer shall go through various instructions and awareness communication sent by the bank on secured banking
- ix) Customer must set transaction limits to ensure minimized exposure.

#### **6.8 PROOF OF COSTOMER LIABILITY**

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.

#### **6.9 FORCE MAJEURE:**

The bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labor disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc. beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters.

#### **6.10 COMPLIANCE**

The report of unauthorized electronic banking transactions and actions taken there on shall be placed before every board meeting. All such transactions will be reviewed by Bank's internal Auditors.

## 6.11 Harmonisation of Turn around Time (TAT) and customer compensation

SR NO.	Description	Timeline	Compensation payable
1	<b>Automated Teller Machines (ATMs)</b> 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	<b>Card Transaction</b>		
	<b>Point of Sale (PoS)/E-Com Account</b> 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
3	<b>Immediate Payment System (IMPS)</b> 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	<b>Unified Payments Interface (UPI)</b>		
a)	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b)	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.
5	<b>Real Time Gross Settlement (RTGS)/ National Electronic Funds Transfer (NEFT)</b>	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	
6	<b>National Automated Clearing House(NACH)</b>		
a)	Delayed in creating beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.

b)	Account debited despite revocation of debit mandate with the bank by the customer	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day.	
----	---	--	--

The Board of Directors has powers to make changes in the Policy from time to time.

**\*\* The said policy is approved in Board meeting no. 13**

**Dated 24-09-2025 by resolution No. 9(6) \*\*\*\***

**Mr. Kailas Pawar  
Deputy General Manager (IT)**

**Mr. Sanjay Bhondve  
Chief Executive Officer (O)**