Customer Compensation Policy

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IndusInd Bank Ltd.
Corporate Office
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1. Introduction

In the present day scenario of Competitive Banking, it will be the bank's endeavor to offer services to its Customers with best possible utilization of its technology infrastructure and branch network. Bank has undertaken technological initiatives in payment and settlement systems and qualitative changes in operational systems and processes to improve efficiencies in providing better products and services to the Customers. However, at times, inadvertently the bank is unable to meet the service levels committed in the dealings with individual Customers. This policy has been designed to compensate the Customers in such situations. The policy is based on principles of transparency and fairness in the treatment of Customers.

2. Scope

This document will cover the following aspects:

- Unauthorized / Erroneous debits to Customer account
- Compensation on Unauthorised electronic banking transactions
- National Automated Clearing House (NACH) / direct debits/ Standing Instructions / Other Debits to accounts
- NACH
- RTGS / NEFT
- Payment of cheques after acknowledgement of Stop Payment Instructions
- Delay in Collection of outstation Cheques / Instruments within India
- Compensation for loss of instrument in Transit
- Collection of Cheques / Instruments drawn on banks in Foreign Countries
- Loss of instruments in transit.
- Issue of duplicate Draft and Compensation for delays
- Violation of the Code by banks agent
- Transaction of "at par instruments" issued by Co-operative Banks
- Remittances within India –RTGS/NEFT
- Delay in Collection of Bills
- Foreign Exchange Services
- Lenders liability: Commitments to borrowers
- ATM related issues

- Compensation Framework for Failed Transactions using Authorised Payment Systems.
- Forex Transactions
- Force Majeure
- Loss or damage to the contents of the Lockers
- Agency Banking
- Third Party Products
- Compensation for cards sourced without consent, card closure delay & failed transactions, and delay in resolving CI/CIC complaints, Erroneous / unauthorized debits
- General
- Complaints / Grievances and Feedback / Suggestions
- Linkage with other policy
- Policy Review Frequency

3. Policy Objective

The objective of this policy is to establish a system whereby Bank shall compensate the Customer for any direct and actual loss by way of interest loss / payment of charges by Customers due to deficiency in service on our part or any act of omission or commission directly attributable to the bank without recourse to any legal action.

The policy covers only compensation for financial loss suffered by way of interest loss/ payment of charges by Customers, 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/ stand before any forum duly constituted to adjudicate banker-customer disputes. The policy does not cover and is not applicable in respect of claims made by Customers on account of opportunity losses or damages or claims pertaining to reputation loss.

4. 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.

4.1 Unauthorized / Erroneous Debit

4.1.1 If the bank has raised an unauthorized /erroneous direct debit to an account and upon being informed of the erroneous debit, the entry will be reversed with proper value date, after due verification. In such cases, the Bank will compensate the Customer, in case Customer has suffered loss of interest due to reduction in the minimum balance applicable for payment of interest on savings bank account or by way of payment of additional interest to the bank in a loan account or by way of payment of any interest or penal charges in credit card account or any charges levied for return of cheques due to shortfall in balance.

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

4.1.3 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.

4.1.4 Reversal of Erroneous / Debits arising on Fraudulent or Other Transactions.

(i) In case of any fraud, if Bank is convinced that an irregularity/fraud has been committed by its staff towards any constituent, the Bank will at once acknowledge its liability and pay just claim along with compensation to the extent mentioned in item No. 4.1.1

(ii) In cases where the Bank is at fault, Bank will compensate the customer without demur to the extent mentioned in item No.4.1.1.

In cases where neither the branch nor the customer is at fault, but the fault lies elsewhere in the system, the Bank shall compensate the customer upto the amount of the erroneous debit, but not exceeding an amount of ₹ 10,000./-. Further, if the delay in reporting is beyond seven working days, customer shall be responsible for the entire liability. Further, in such cases, no compensation will be payable under the terms of item 4.1.1.

4.1.5 Reversal of Erroneous/Unauthorised/Fraudulent debits arising on Internet Banking (Vishing/Smishing) related transactions

Fraudulent debits arising out of Internet banking and Mobile banking are mainly categorized as under:

- Funds Transfer to another account (within the Bank and outside the Bank)
- Internet /MOTO using Credit /Debit card
- Skimming/Counterfeit of Credit/Debit Card
- Hacking of internet / Mobile Banking ID/password
- Pre-paid mobile recharge transaction using Credit/Debit card.
- Transactions in shopping malls using Credit/Debit Card.

a. In case of any fraud, if Bank is convinced that an irregularity/fraud has been committed by its staff towards any constituent, the Bank will at once acknowledge its liability and pay just claim along with compensation to the extent mentioned in item No.4.1.1.

b. In cases where the Bank is at fault, Bank will compensate the customer without demur.

c. For cases where the Bank is not at fault, but the customer has either acted fraudulently or inadvertently compromised his Internet / Mobile Banking security details or acted without reasonable care (which includes not taking steps to protect computers from hackers) Bank/Customer will be bound by Clause numbers 12.6 of the revised Code of Commitment by Banking Codes and Standards Board of India which stipulates that banks are not responsible for losses caused by a third party when customers have acted without reasonable care.

However, in exceptional circumstances IndusInd Bank may compensate the customer for cases where the customer has not compromised any personal and confidential security parameters required to complete an Internet banking/ Mobile transaction and based on merits of the claim, the compensation on account of Unauthorised electronic banking transactions would be as indicated in the Bank's Customer Protection Policy.

4.1.6 Debit towards Service Charges: 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 executed only after the laid down process has been followed by the Bank.

4.1.7 Compensation on Unauthorised electronic banking transactions

The Compensation on account of Unauthorised electronic banking transactions would be as indicated in the Bank's Customer Protection Policy.

4.2 National Automated Clearing House (NACH) / Direct Debits / Standing Instructions / Other Debits to Accounts

The bank undertakes to carry out direct debit / standing instructions/ NACH debit instructions of Customers in time subject to the following:

- Customer having already provided valid and complete mandate to accept any debit received from NACH.
- For corporate customers with Bank as sponsor Bank, end customer mandate should be valid and registered with destination Bank as per NPCI process.
- Customer having already submitted a mandate for standing instructions.
- Direct debit received is complete and correct.
- Customer having sufficient balance maintained in the account at the time of implementing direct debits/ standing instructions/ NACH.

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 in violation of the arrangement, the bank will reverse the charges when pointed out by the Customer subject to scrutiny of agreed terms and conditions and such other terms and conditions as may be communicated from time to time.

4.3 NACH

Bank would give NACH Credit as per the NPCI defined TAT or such extension granted by NPCI on reception settlement from NPCI. In case of any delayed NACH Credit (where funds are received and at the disposal of the Bank) and if the Account is debited despite revocation of debit mandate with bank by the customer, Bank will pay compensation of ₹ 100/- per day if delay beyond T + 1 day (T is the day of transaction). Interest would not be paid for delays on account of NPCI.

Such compensation would not be payable under following circumstances:

- Delay due to National Payments Corporation of India.
- Downtime by NPCI or the Destination Bank or Bank (IBL being the Sponsor Bank) for regulatory patch /version updation or upgrade

4.4 RTGS / NEFT

Bank would make payment to the beneficiaries instantly within the prescribed time line as defined by the regulatory from time to time by crediting the specified account of the beneficiary or otherwise placing funds at the disposal of the beneficiary. In the event of any delay or loss on account error, negligence or fraud on the part of an employee of the Bank in the completion of funds transfer pursuant to receipt of payment instruction by the Bank leading to delayed payment to the beneficiary, the Bank shall pay compensation at current RBI LAF Repo Rate plus two per cent for the period of delay. In the event of delay in return of the funds transfer instruction for any reason whatsoever excluding scenarios listed below, the Bank shall refund the amount together with interest at the current RBI LAF Repo Rate plus two per cent till the date of refund.

Interest would not be paid if credit is to internal accounts:

- Credits to Credit payable in Office accounts,
- Credits in Loan office account,
- Credit received towards Fixed Deposit creation / Recurring Deposit instalment.

Interest would not be paid under following circumstances:

- Delay due to RBI,
- Delay due to issue at Structured Financial Messaging system (SFMS),
- Downtime by bank for regulatory patch /version updation or upgrade.

The sender/ originator shall be entitled to claim the compensation from the sending bank for the period of delay in the completion of funds transfer, and/or any other penalty which may be levied / decided by RBI.

Bank shall not be liable for any loss or damage arising or resulting from delay in transmission delivery or non-delivery of Electronic message or any mistake, omission, or error in transmission or delivery thereof or in deciphering the message from any cause whatsoever or from its misinterpretation received or the action of the destination Bank or any act or event beyond control of the Bank.

4.5 Payment of Cheques after acknowledgement of Stop Payment Instructions:

In case a cheque has been paid after stop payment instruction is received and acknowledged by the bank, and there have been no subsequent and contradictory instruction received by the bank, the bank shall reverse the transaction and give value-dated credit to Customer's account. Any consequential loss by way of interest loss/ payment of charges by the Customer will be

compensated as mentioned in section 4.1.1. Such debits will be reversed within 2 working days of the Customer intimating the transaction to the bank.

4.6 Collection of outstation Cheques/ Instruments within India

The compensation on account of delays in collection of Cheques/ Instruments would be as indicated in the Bank's Policy on Collection of Cheques/ Instruments, in the following instances:

- Payment of Interest for delayed Collection of Outstation Cheques
- Cheques / Instruments lost in transit / in clearing process or at paying bank's branch

4.7 Compensation for loss of instrument in Transit

The Compensation on account of loss suffered by customers due to loss of instrument after it has been handed over to the bank for collection would be as indicated in the Bank's Policy on Collection of Cheques / Instruments.

The Bank's Compensation Policy for financial loss suffered by the customers due to loss of instrument after it has been handed over to the Bank for collection is as under:

4.7.1 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 accountholder so that the accountholder can inform the drawer to record stop payment and also take care that cheques, if any, issued by him / her are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. The Bank will compensate the accountholder in respect of instruments lost in transit as under:

i. In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7 /10/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.

ii. 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.

iii. 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 for issue of duplicate instrument

4.8 Collection of Cheques/ Instruments drawn on Foreign Countries

The Compensation on account of delays in collection of Cheques/ Instruments drawn on Foreign Countries would be as indicated in the Bank's Policy on Collection of Cheques/ Instruments.

4.9 Issue of Duplicate Draft and Compensation for delays

Duplicate draft will be issued within a fortnight from the receipt of such request from the purchaser thereof. For delay beyond the above stipulated period, interest at the rate applicable for Fixed Deposit of corresponding period will be paid as compensation for such delay

4.10 Violation of the Code by banks agent

In the event of receipt of any complaint from the customer that the bank's representative/ courier or Collection Agent or DSA or referrer or connector or employee of the Associate/ Subsidiary company has engaged in any improper conduct or acted in violation of the Code of Bank's commitment to customers which the bank has adopted voluntarily, the bank will 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 direct financial loss, if any subject to the customer providing proper supporting document for having incurred the loss.

4.11 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 since "at par instruments" are only cheques drawn on accounts maintained with the bank are not prepaid instruments, the bank will not honor cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding of cheques issued. Issuing bank i.e. Cooperative Banks/ Drawer of the cheque would be responsible to compensate the cheque holder for non-payment/delayed payment of cheques in the absence of adequate funding arrangement.

4.12 Remittances within India –RTGS/NEFT

In case of any delay in receiving the remittance amount at the destination, the Bank will compensate the Customer, at the current LAF Repo rate plus 2% p.a. on balances of Savings Bank accounts for the period of delay / till the date of credit.

4.13 Bills for Collection

In case of Delays in Collection of Bills, Bank will pay interest to the lodger for the delayed period in respect of collection of bills at the rate of 2% p.a. above the rate of interest payable on balances of Savings Bank accounts. The delayed period will be reckoned after making allowance for normal transit period based upon a time frame of 2 days each for (i) Dispatch of bills; (ii) Presentation of bills of drawees. (iii) Remittance of proceeds to the lodger's bank. (iv) Crediting the proceeds to drawer's account.

To the extent the delay is attributing to the drawee's bank, the lodger's bank may recover interest for such delay from drawee bank.

4.14 Foreign Exchange Services

4.14.1 Collection of Foreign Currency Cheque:

The Bank would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the bank would not be able to ensure timely credit from overseas banks. It is the bank's experience that time for collection of instruments drawn on banks in foreign countries differ from country to country and even within a country, from place to place. The time norms for return of instruments cleared provisionally also vary from country to country. Bank however, solely at its discretion 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.

4.14.2 Payment of Interest for delayed credits (Foreign Inward Remittances other than Foreign Currency Cheques):

Compensation will be paid as per Foreign Exchange Dealers Association of India (FEDAI) Rules 10th edition. As per rule 4.5, in case foreign inward remittance, Bank shall make payment or send intimation, as the case may be, to the beneficiary in two Business days from the date of receipt of credit advice/nostro statement. In case of delay, the bank shall pay the beneficiary interest @ 2% above the savings account interest rate. The bank shall also pay compensation for adverse movement of exchange rate, if any, as per its compensation policy.

4.15.3 The compensation payable on account of delays in collection of Foreign Bills would be as per the FEDAI Rule 2.5 (c).

4.15 Lenders liability: Commitments to borrowers

In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayments / settlement of loan, we shall communicate to the customer the reasons for such delay. In case where the delay is attributable to the Bank the customer shall be compensated, at the rate of Rs. 5,000/- for each day of delay. These shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.

However, the Bank shall not be liable to compensate in the following circumstances:

i) Delay due to any force majeure events,

ii) 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.

iii) 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).)

iv) 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/Court for a particular/specific course of action. Till such time and in such/similar circumstances, the Bank shall not be 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.

v) Where the issues are sub-judice and pending before Courts, Ombudsman, Arbitrator, Government and/or matter put on hold due to stay.

4.16 ATM related issues

All admitted customer claims about wrongful debit on account of failed ATM transactions status will be reimbursed to the customer within a maximum period of T + 5 days (T is the day of transaction). For any failure status ATM transactions to re-credit the customer's account within T + 5 days, the bank will pay compensation of Rs.100/-, per day, to the aggrieved customer.

This compensation will be credited to the customer's account suo moto without any claim from the customer, on the same day when the bank affords the credit for the failed ATM transaction. Customers are entitled to receive such compensation only if a claim is lodged with the issuing bank within 30 days of the date of the transaction. Any other bank customer using our Bank ATM machine needs to approach his / her respective bank for compensation. The other bank's Customer will raise a chargeback on our Bank which will be responded within T + 5 working days.

4.17 Compensation Framework for Failed Transactions using Authorised Payment Systems.

The characteristics of the compensation framework are defined below:

i. Turn Around Time (TAT)

- The prescribed TAT is the outer limit for resolution of failed transactions
- Key Principles

    - 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 penalty is payable to the beneficiary.
    - If there is delay in initiation of a transaction at the originator bank's end beyond the TAT, then penalty is payable to the originator.
    - T is the day of transaction
    - R 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.

ii. Failed Transactions

- 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 the ATM, time-out of sessions, etc.
- Failed transactions shall also include the credit 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.

iii. Description of the incidents, timeline for auto-reversal and compensation payable is as mentioned below:

Sl.no.	Description of the incident	Framework for auto reversal and compensation	
		Timeline for auto – reversal	Compensation payable
I	II	III	IV
1	Automated Teller Machines (ATMs) including Micro-ATMs		
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2	Card Transaction		
a	Point of Sale (POS) (Card Present) including Cash at POS. Account debited but confirmation not received at merchant location i.e charge-slip not generated.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
b	Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system.		
3	Immediate Payment System (IMPS)		
a	Account debited but the beneficiary account is not credited.	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹ 100/- per day if delay beyond T + 1 day.
4	Unified Payments Interface (UPI)		

a	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit the beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹ 100/- per day if delay 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 beyond T + 5 days.
5	Aadhaar Enabled Payment Systems (including Aadhaar Pay)		
a	Account debited but transaction confirmation not received at merchant location	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹ 100/- per day if delay beyond T + 5 days.
b	Account debited but beneficiary account not credited.		
6	Aadhaar Payment Bridge System (APBS		
a	Delay in crediting beneficiary's account	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹ 100/- per day if delay beyond T + 1 day
7	National Automated Clearing House (NACH)		
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹ 100/- per day if delay 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.	₹ 100/- per day if delay beyond T + 1 day
8	Prepaid Payment Instruments (PPIs) – Cards / Wallets		
a	Off-US transaction 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.		

b	On-US transaction 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 beyond T + 1 day

Acceptance of the compensation by the customer under this policy shall be deemed to be final settlement of all issues arising out of grievances for which compensation is claimed.

4.18 Forex Transactions

i. Intimation of inward received will be sent to beneficiary in maximum 2 working days from matching of Credits.

ii. Upon receipt of disposal instructions and documents complying with RBI guidelines, amount will be transferred to the beneficiaries account in 2 working days from receipt of complete information and documentation.

In case of delay of more than 2 working days as mentioned in point nos. i & ii above, 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, between RBI reference rates on 2nd working day and date of intimation.
- In case, the beneficiary does not respond within five 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;

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

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

4.19 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.

4.20 Loss or damage to the contents of the Lockers

- The Bank shall outline the responsibility owed by them for any loss or damage to the contents of the lockers due to their negligence as banks owe a separate duty of care to exercise due diligence in maintaining and operating their locker or safety deposit systems. The duty of care shall include ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery.
- Further, banks shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.
- Liability of banks arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer

  The bank shall not be liable for any damage and/or loss of contents of 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. Banks shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.
- Liability of banks arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank

  It is the responsibility of banks to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. As banks cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

4.21 Agency Banking

Bank shall act as agency bank as per authorization received for following;

- Revenue receipts and payments on behalf of the Central/State Governments
- Pension payments in respect of Central / State Governments and
- Any other item of work specifically advised by Reserve Bank as eligible for agency commission

Bank shall follow instructions issued by RBI from time to time regarding transactions which are not eligible for agency commission and submit their claims for agency commission accordingly.

Penal interest for wrong claims:

Bank will be liable to pay penal interest at Bank Rate as notified by Reserve Bank of India plus 2% for any wrong claims of agency commission settled.

4.22 Third Party Products

Bank acts as a Corporate Agent for sale of Insurance products and distributor for Mutual Fund & SIF products, referrer for Alternate products (PMS & AIF products), Broking and act as a POP for NPS product. In the event of any service-related deficiencies pertaining to these products, the Bank will assist customers in escalating and resolving their grievances with the respective partner institutions. In the event of Bank receiving any complaint from the customer regarding mis selling of the third-party products by the Bank or about having engaged in any improper conduct or about having acted in violation of any code adopted by the Bank, the Bank shall take appropriate steps to investigate and to handle the complaint. In case lapses by the Bank employees are established, the Bank will compensate the customer suitably, based on the facts and circumstances of the case.

4.23 Compensation for cards sourced without consent, card closure delay & failed transactions, and delay in resolving CI/CIC complaints, Erroneous / unauthorized debits

- Where it is established that the Bank had issued a Card without written/digital consent of the customer and if the card is activated by the Bank without the cardholder's consent (intent for use by cardholder shall also be considered as cardholder's consent), the Bank would reverse the charges levied by the Bank for the card variant immediately and also pay a penalty without demur to the customer amounting to twice the value of charges reversed in this regard.

- Transactions reported as erroneous by customers, which require specific reference to a merchant establishment will be handled as per chargeback rules laid down by VISA/Mastercard/American Express/RuPay networks. The Bank will provide explanation and, if necessary, documentary evidence to the customer within a maximum period of sixty days.

- Failure on the part of the card-issuers to complete the process of card closure within seven working days shall result in a penalty of ₹500 per day of delay payable to the customer, till the closure of the credit card provided there is no outstanding in the Credit Card account.

- On receipt of a customer complaint for erroneous debit to his / her Credit Card due to failed transaction(s), the Bank will investigate the matter and endeavour to communicate the outcome to the customer within T+ 5 working days from the date of receipt of complaint. Where it is established that the customer was erroneously debited, the Bank will reimburse the customer, the amount erroneously debited, within T + 5 working days from the date of receipt of the customer complaint. For delay beyond T + 5 working days in crediting back to the customer's account, the Bank shall pay compensation of ₹100 per day, to the customer. This compensation shall be credited to the customer's account without any claim from the customer, on the day the Bank affords the credit for the failed transactions.

- Complainants shall be entitled to a compensation of ₹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 Credit Institution (CI) or a Credit Information Company (CIC). A CI shall pay compensation to the complainant if the CI has failed to send updated credit information to the CICs by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC.

4.24 Compensation for Delay in Settlement of Claims

Deposit Accounts:

If any deposit related claim is not settled within a period not exceeding 15 calendar days from the date of receipt of all the required documents associated with the claim, the Bank shall communicate the reasons for such delay to the claimant(s).

In cases of delay attributable to the bank, compensation will be paid by the bank in the form of interest, at a rate not less than the prevailing Bank Rate + 4% per annum, on the settlement amount due for the period of delay. The reference date for reckoning the amount due and the prevailing Bank Rate shall be the date of receipt of all required documents from the claimant.

Safe Deposit Locker:

In case of safe deposit locker, the bank shall, within 15 calendar days of receipt of all the required documents, process the claim and communicate with the claimant(s) for fixing the date for making inventory of the locker.

The bank shall pay compensation to the claimant(s) at the rate of ₹5,000 for each day of delay in cases where it doesn't adhere to the timeline prescribed above.

4.25 General

Acceptance of the compensation by the customers under this policy shall be deemed to be final settlement of all issues arising out of grievances for which compensation is claimed.

4.26 Customer's responsibility

Bank will not be responsible for the loss to the customers due to customer's lack of caution in safekeeping the Cheque book, passbook, cards, PIN, unsecured movement of duly issued cheques 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. 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.

Complaints / Grievances and Feedback / Suggestions

The Bank has put in place a Board-approved Grievance Redressal Policy for addressing customer complaints and grievances. Customers may lodge their complaints through the various channels made available by the Bank from time to time.

Detailed information regarding the complaint handling process, escalation matrix, contact details of designated officials, and the grievance redressal mechanism is available in the Bank's Grievance Redressal Policy hosted on the Bank's website at www.indusind.bank.in

5. Linkage with other policy

Customer Protection Policy

6. Policy Review Frequency:

The Policy will be reviewed annually or in case of any modifications arising due to legislative/regulatory changes, to the Policy from time to time till the next review.

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