



**CUSTOMER RIGHTS,**  
**GRIEVANCE REDRESSAL**  
**AND**  
**COMPENSATION POLICY – 2021**

**Issue Date: 25.10.2021**  
**(Version-2)**

**Customer Service Department**  
**State Bank of India**  
**Corporate Centre**  
**Mumbai**

## INDEX

1	Abbreviations	5
<b>CUSTOMER RIGHTS POLICY - 2021</b>		
<b>Para</b>	<b>Description</b>	<b>Page No</b>
1	Right to Fair Treatment	6-7
2	Right to Transparency, Fair and Honest Dealing	7-10
3	Right to Suitability	10
4	Right to Privacy	11
5	Right to Grievance Redressal and Compensation	12-13
6	Amendment / Modification of the Policy	13
<b>CUSTOMER GRIEVANCES REDRESSAL POLICY – 2021</b>		
1	Preamble	14
2	Grievances relating to Branch transactions	14-16
3	Escalation matrix for customer complaints	16-17
4	Grievances relating to Technology related transactions	17-19
5	Grievances relating to Sale of third-party products	19
6	Nodal Officer for handling customer grievances	19-20
7	Acknowledgement of Grievances and Redressal:	20
8	Review Mechanism	20-21
9	Enhanced disclosure on complaints	21
10	Pre-empting occurrence of customer grievances & sensitizing operating staff on handling complaints	21-22
11	Amendment / Modification of the Policy	22

12	References of Circulars/ Guidelines used for drafting Customer Rights and Grievance Redressal Policy 2021	22-23
<b>COMPENSATION POLICY – 2021</b>		
<b>Para</b>	<b>Description</b>	<b>Page No</b>
1	Preamble	24
2	Objective	24
3	Scope	24-25
4	Recognition of Deficiency and Compensation	
	4.1) Unauthorized / Erroneous Debit	25-26
	4.2) ECS direct debits / other debits to accounts	26-27
	4.3) Penal interest payable for delays in credit / return of NEFT / NECS / ECS transactions	27-28
	4.4) Issue of ATM / Debit Cards without written consent of customers	28
	4.5) Payment of Cheque after acknowledgement of Stop Payment Instructions / Non-blocking of lost ATM card / UPI Services / INB Services after acknowledgement of request for its blocking	28-29
	4.6) Limiting Liability of Customer's in Unauthorized Electronic Banking Transactions	29-34
	4.7) Collection of Cheques drawn on Foreign countries	34-36
	4.8) Compensation for adverse movement in Exchange Rates	36-38
	4.9) Collection of Cheques payable in India	38-39
	4.10) Compensation for delay in clearance of Local Cheques	39-40
	4.11) Compensation for loss of Cheques / Instruments in transit	40
	4.11.A) Delayed Collection of Bills Payment of Interest for Delay in Collection	41

	of Bills	
	4.12) ATM failure: Compensation to Customers for settlement of disputed ATM transactions / Automated Deposit cum Withdrawal Machine (ADWM)	41-44
	4.13) Compensation for delay in Pension Payment	44-45
	4.14) Compensation for delay in Issuance of Duplicate IOI	45
	4.15) Payment of “at par” Cheques issued by other Banks	45
	4.16) Lenders’ liability: Commitment to borrowers	46
	4.17) Compensation for wrongful dishonour of cheques	46-47
	4.18) Compensation in case of delay on the part of the Bank to upload Application Supported by Blocked Amount (ASBA)	47-48
	4.19) Violations by Bank’s Agents	48
	4.20) Liability of Bank for any loss/damage to the contents of Lockers	48-49
	4.21) Timeline for Payment of Compensation	49
	4.22) Authority for Payment and Control Reporting	49-50
5	Automation of Payment of Compensation in CBS	50
6	Customer’s responsibility	50-51
7	Disclaimer clause	51
8	Force Majeure	51
9	Amendment / Modification of the Policy	51
10	References of Circulars / Guidelines used for drafting Compensation Policy 2020	51

## **Abbreviations**

ADWM	Automated Deposit cum Withdrawal Machine
ATM	Automated Teller Machine
BSBD	Basic Savings Bank Deposit
CBS CCRC	Core Banking Solution Circle                      Complaint                      Resolution                      Centre.
ECS	Electronic Clearing System
EEFC A/C	Exchange Earners' Foreign Currency Account
FEDAI	Foreign Exchange Dealers Association of India
FEMA	Foreign Exchange Management Act
INB	Internet Banking
IOI	Inter Office Instrument
IRC	Inward Remittance Cell
IVR	Interactive Voice Response
MBS	Mobile Banking Services
MSME	Micro Small Medium Enterprises
NACH	National Automated Clearing House
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
RBI	Reserve bank of India
RTGS	Real Time Gross Settlement
SMS	Short Messaging System

## **CUSTOMER RIGHTS POLICY 2021**

**Customer protection is an integral aspect of financial inclusion. The following comprehensive Customer Rights Policy based on domestic experience and global best practices is brought out to enhance such protection.**

The Policy enshrines basic rights of the customers of the Banks regulated by the Reserve Bank of India. The policy covers all the branches and offices of SBI in India. It spells out the rights of the customer and also the responsibilities of the Bank. 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.

Wherever number of days is mentioned, the number of days is considered as “Calendar days”, unless mentioned specifically as “working days”.

### **1. Right to Fair Treatment**

**Both the customer and the financial services provider 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 -

- i) Promote good and fair Banking practices by setting minimum standards in all dealings with the customers;
- ii) Promote a fair and equitable relationship between the Bank and the customer;
- iii) Train Bank staff attending to the customers, adequately and appropriately;
- iv) Ensure that staff members attend to customers and their business promptly and courteously;
- v) 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 be tantamount to unfair discrimination. The rationale for such special schemes or terms will be explained by Bank wherever required.

- vi) Ensure that the above principle is applied while offering all products and services.
- vii) Ensure that the products and services offered are in accordance with relevant laws and regulations;

While it shall be the endeavor of the Bank to provide their customers with hassle free services 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 fora after exhausting all their remedies under Bank's internal grievance mechanism.

## **2. Right to Transparency, Fair and Honest Dealing**

**The financial services provider should 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 financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.**

In pursuance of the above Right, the Bank will -

- i) Ensure complete transparency so that the customer can have a better understanding of what he or she can reasonably / fairly expect from the Bank;
- ii) Ensure that the Bank's dealings with the customer rest on ethical principles of equity, integrity and transparency;

- iii) 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 the product;
- iv) 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 vernacular language.
- v) Ensure that most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer through Bank's website, welcome kits and sanction letters as applicable for the products / services. In general, it will be ensured that such terms will not inhibit a customer's future choice.
- vi) Provide information on interest rates, fees and charges either on the Notice Board in the Branches or website or through helplines or help-desk and where deemed appropriate, the customer will be informed directly;
- vii) Display the tariff Schedule on Bank's website and a copy of the same will be made available at every Branch on demand from the customer. Also, the Bank will display in its Branches, a notice about the availability of the Tariff Schedule at the Branch;
- viii) Give details, in their Tariff Schedule, of all charges, if any, applicable to the products and services chosen by the customer;
- ix) Inform the customer of any change in the terms and conditions through a letter or Statement of Account, SMS or email or on Bank's website [www.sbi.co.in](http://www.sbi.co.in) and / or [bank.sbi](http://bank.sbi) or as agreed by the customer, at least one month prior to the revised terms and conditions becoming effective;
- x) Ensure that such changes of terms and conditions, as stated above, 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;



- xi) 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;
- xii) Display on Bank's website the Banks' Policies on Deposits, Cheque Collection, Grievance Redressal, Compensation and Collection of Dues and Security Repossession;
- xiii) 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;
- xiv) 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. Such period will be notified in the Bank's website and also in the application of the particular product or service;
- xv) 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 Branchwith advance notice of at least 30 days through Bank's website, notice board at Branches, digital signage systems etc. 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 website, to ensure that information on all changes is made known to the customer upfront;
- xvi) Advise the customer at the time of selling the product of the rights and obligations embedded in law and / or Banking regulation including the need to report any critical incidents that the customer suspects, discovers or encounters;
- xvii) Ensure that 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 with a view to enable the customer to make an informed decision;
- xviii) Not terminate a customer relationship without giving reasonable or contractual prior notice to the customer;

- xix) Assist the customer in all available ways for managing his / her account, financial relationship by providing regular inputs in the Bank's realms;
- xx) Ensure that all marketing and promotional materials are clear and not misleading, and as far as possible in regional language pertaining to the region / area also;
- xxi) 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;
- xxii) Ensure that the fees and charges on products / services and its structure are not unreasonable to the customer.

### **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 -

- i) Ensure that it has a Board approved policy for assessing suitability of products for customers prior to sale of third-party products;
- ii) Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs;
- iii) 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;
- iv) Not compel a customer to subscribe to any third-party products as a quid-pro-quo for any service availed from the Bank;
- v) Ensure that the products being sold or service being offered, including third party products, are in accordance with extant rules and regulations;
- vi) Inform the customer about his responsibility to promptly and honestly provide all relevant and reasonable information that is sought by the Bank in order to enable the Bank to determine the suitability of the product to the customer.

#### **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 –

- i) 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;
- ii) Ensure that such likely mandated disclosures are communicated immediately after such disclosure to the customer in writing;
- iii) Shall not use or share customer's personal information for marketing purpose, unless the customer has specifically authorized it;
- iv) Shall adhere to Law and regulation on Right to privacy including Telecom Commercial Communications Customer Preference Regulations, 2018 (National Customer Preference Registry) issued by Telecom Regulatory Authority of India, while communicating with customers.

## **5. 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 grievance redressed. The provider should also facilitate redressal 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 –

- i) deal sympathetically and expeditiously with all things that go wrong;
- ii) correct mistakes promptly;
- iii) cancel any charge that has been applied wrongly and by mistake;

The Bank will also –

- i) Place in public domain its Customer Grievance Redressal Policy, including the grievance redressal procedure available for the customer;
- ii) 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;
- iii) Ensure to have a robust and responsive grievance redressal procedure and clearly indicate the grievance resolution authority who shall be approached by the customer;
- iv) Make grievance redressal mechanism easily accessible to customers;
- v) 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;
- vi) Display name, address and contact details of the Grievance Redressal Authority / Nodal Officer on the website. The time limit for resolution of complaints will also be clearly displayed / accessible on the website;
- vii) 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;
- viii) Place in public domain, information about Banking Ombudsman Scheme;

- ix) 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 -

- i) 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 21 days (including the time for escalation and examination of the complaint by the highest ranking internal official responsible for grievance redressal). The 21 days' period will be reckoned after all the necessary information sought from the customer is received. However, complaints relating to Point of Sales (POS) / Card Not Present (CNP) transactions, Master Card / VISA complaints will be dealt with, within the period prescribed, including pre-arbitration claims, as per the guidelines of Master Card / VISA / Europay / CUP and Ru-Pay.
- ii) 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 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.).

**Amendment / Modification of the Policy:**

The Bank reserves the right to amend / modify this Policy, as and when deemed fit and proper, at its sole discretion. The Bank shall arrange to review the Policy at annual intervals. "

\*\*\*\*\*



## **CUSTOMER GRIEVANCES REDRESSAL POLICY - 2021**

1. SBI's policy on customer grievances redressal covers all the branches and offices of SBI in India and is based on the following principle:

**'The customer is the focus of the Bank's products, services and people. The Bank's business growth depends entirely on the satisfaction of customers with what the Bank offers them. A suitable mechanism must therefore exist for receiving and redressing customer grievances courteously, promptly and satisfactorily. Any mistake made by the Bank should be apologized and rectified immediately. The details of grievances redressal mechanism must be in the domain of public knowledge'.**

The above principle is incorporated in the Bank's policy of grievances redressal.

Wherever number of days is mentioned, the number of days is considered as "Calendar days", unless mentioned specifically as "working days".

### **2. Grievances relating to Branch transactions:**

- i. In case of any difficulty in transactions, the customers may approach the Service Manager at the Branch or the Customer Relations Executive or the Branch Manager, who will ensure that the customers' Banking needs are attended to. However, if this does not happen, customers may demand the complaint book, which will be available in all Branches with the Branch Manager / Service Manager, and lodge a written complaint. A copy of the complaint shall be returned to the customer with an acknowledgement of receipt. The Branch shall make efforts to ensure that the redressal of the complaint takes place expeditiously and in any case within a maximum period of three weeks. If, for any reason, the Branch is unable to redress the grievance within three weeks, the customer will be informed of the reasons and the action taken for early redressal. The complaint entered in the complaint book will be entered in CRM-CMS (Complaint Management System) application by the Branch within the next working day and complaint number will

be conveyed to customer by SMS on the registered mobile number / on registered email address automatically by CRM-CMS application.” The customers can provide their feedback on their satisfaction level about the complaint resolution by either visiting our website or by calling our Toll-Free numbers.

- ii. In case the customer is unable to visit the Branch, he may lodge his complaint through other channels viz. Contact Centre toll free numbers or through SMS Unhappy channel by sending SMS ‘UNHAPPY’ to the designated number. The customers shall be given a unique complaint number, which can be used for tracking the status of their complaint. The Customers can also send their complaints through email to the designated e-mail Id or lodge their grievance online on the Bank’s web site ([www.sbi.co.in](http://www.sbi.co.in) or bank.sbi) under the link ‘Customer Care’ or on pre-login page of onlinesbi.com / YONO Lite (Bank’s Internet Banking platform). Complaints lodged on these channels are forwarded to the Branches / offices / Circle Complaint Resolution Centres (CCRC) through web-based system for redressal as above. The complainant can also get the status of redressal of his complaint directly from the Contact Centre by calling or by sending SMS to the designated number. The Customer can send his / her feedback on closed Complaints by calling our toll-free numbers or through website [www.sbi.co.in](http://www.sbi.co.in) under link Customer care.
- iii. In case of difficulty with the Branch, or unsatisfactory reply in respect of complaint lodged with the Branch / other channels, the customer can approach the Assistant General Manager [Regional Business office (RBO)] / Dy General Manager (B&O) / General Manager (Network) of the Local Head Office under whose administrative control the Branch functions. The contact particulars of the officials can be obtained from the Branch or from the helpline numbers at the concerned Local Head Office. The customers can also write to the Customer Service Department at the concerned Local Head Office. The helpline numbers and addresses are placed on the website. The RBO / AO / LHO concerned, will enter the details of the complaint in CRM-CMS for resolution.
- iv. Customers shall be provided with one or more channels – web-based or paper-based complaint form, IVR, Mobile Application, Call Centre, SMS, through branches or offices etc, for lodging disputes and grievances. In addition to the above channels, in case of mobile phone-based systems like Unified Payments Interface (UPI), third party app providers (TPAPs) shall also provide customers

with a facility to lodge disputes and grievances through the same mobile app used for making payments, which shall be integrated with Online Dispute Resolution (ODR) System. A web-based Complaint Form has been made available on the Bank's website for customers to register their grievances online. On completing the particulars and submitting the form, the customer will be given a unique ticket number which will enable him to follow up on his grievance with the Branch / Local Head Office or the Corporate Centre.

- v. Instead of lodging a complaint in web-based complaint form if a customer sends an email to the designated e-mail id., a complaint will be lodged under the appropriate category and a ticket number will be sent for subsequent tracking of the status of complaint by the complainant by SMS on the registered mobile number / email on registered email address.

### **3. Escalation matrix for customer complaints**

Within the overall maximum period of three weeks within which a complaint needs to be redressed, there will be a prescribed escalation matrix for redressal of the complaints at different levels in the organization. The matrix prescribes the time period to be escalated to higher authorities for unresolved complaints / grievances not redressed to customers' satisfaction. The escalation matrix for customer complaints is given below:

Sl. No.	Lodging / Escalation / Auto Escalation of complaints	Day of lodging / Escalation	Days available for redressal (Within the maximum three weeks)
1	Circle Complaints Resolution Centre (CCRC)	1 <sup>st</sup> Day	10 days
2	Local Head Office	11 <sup>th</sup> Day	5 days
3	Corporate Centre	16 <sup>th</sup> Day	6 days



The complaint lodged by a customer is first assigned to the / CCRC for redressal. If the complaint is not redressed within 10 days, it is escalated to Local Head Office on the 11<sup>th</sup> day of first lodging of the complaint. If the complaint is not redressed within the next 5 days (15 days from day 1), it is escalated to Corporate Centre. The complaint will invariably have to be redressed within a maximum period of 21 days / three weeks. The Customer can approach the Banking Ombudsman in case his grievance is not redressed within 30 days of lodging the complaint as per extant guidelines.

#### **4. Grievances relating to Technology related transactions**

- i)** Keeping in view the growing trend and increased significance of Digital Banking products (like ATMs, POS, E-commerce, Internet Banking, Mobile Banking, UPI, Yono, etc), and newer interfaces of customer engagements, the Bank has introduced exclusive mechanisms for redressal of grievances arising from use of these channels. Assistance for such alternate channels and digital banking products are available on Toll free helpline numbers. Customer may also lodge / post his grievance online on the Bank's web site ([www.sbi.co.in](http://www.sbi.co.in) or bank.sbi) under the link 'Customer Care' or on pre-login page of onlinesbi.com / YONO Lite (Bank's Internet Banking platform).
- ii)** In respect of Digital banking / Electronic banking transactions done by the customers, they may lodge their service requests / query / complaints etc by contacting their home Branch or sending e-mail to the designated e-mail ids for redressal of their issues / complaints. In case the customer is not satisfied with the handling of his complaint, he may contact the General Manager (Network) of the LHO or the Customer Service Department at LHO / Corporate Centre. The contact details are available on the Bank's website.
- iii)** However, for notifying the Bank of any unauthorized electronic banking transactions in their account(s) customers are required to immediately report the unauthorized transaction on our dedicated toll-free (helpline) number. A separate link has also been provided in bank's website for the purpose of reporting of unauthorized electronic transactions and the same may also be made use of. Further, they may also notify unauthorized electronic banking transactions by forwarding transaction SMS to the dedicated number from registered mobile

number or by forwarding transaction email to the dedicated email address from registered email address or contact their home branch during working hours.

**iv) Unauthorized Transactions in Electronic Banking Channels:** In case of unauthorized transactions in electronic banking channels, the following will be the rights and obligations of the customer:

- a. For availing electronic banking facilities, customer must mandatorily register their mobile number for SMS alerts and wherever available, email address for email alerts. Bank may not offer the facility of electronic banking, other than ATM cash withdrawals, to customers who do not register mobile numbers with the Bank.
- b. Customer should notify the Bank of any unauthorized electronic banking transaction at the earliest after the occurrence of such transaction. The longer the time taken to notify the Bank, the higher will be the risk of loss to customer as per Bank's Compensation Policy placed on our web site [www.sbi.co.in](http://www.sbi.co.in) and Bank.sbi.
- c. To facilitate this, Bank will provide 24\*7 access to customers through multiple channels such as website, SMS on dedicated number, email on dedicated email address, dedicated toll-free number for reporting unauthorized transactions, and reporting to home branch during the working hours etc.
- d. Bank shall provide a direct link for lodging such complaints, with specific option to report unauthorized electronic transactions on home page of website.
- e. Bank shall send, wherever mobile number / email address is registered, advices / alerts of electronic banking transactions by means of SMS and / or e-mail containing a mechanism to enable the customer to instantly notify objections, if any, in cases of unauthorized transactions.
- f. On receipt of complaint of unauthorized transaction from the customer, Bank will take immediate steps to prevent further unauthorized transactions using the concerned channel by blocking the respective channel immediately.
- g. As soon as the complaint is lodged, an SMS / email acknowledgement will be sent immediately along with the registered complaint number, provided the customer has registered his / her correct mobile number / email address with the Bank.

- h. Bank shall ensure that a complaint is resolved and customer liability, if any, is determined within 90 days.
- i. Bank will take necessary measures for creating customer awareness through different modes of communications like SMS, Email, Social Media etc.
- j. A Board Approved Compensation Policy forms part of the 'Customer Rights, Grievance Redressal and Compensation Policy will be placed in the Bank's website, which will govern, among other things, the compensation payable to customers in case of unauthorized electronic banking transactions also.

#### **5. Grievances relating to Sale of third-party products:**

If customers find violation of their rights mentioned above in Customer Rights Policy relating to selling of third-party products to them, they may lodge a complaint in the Complaint Management System under appropriate category or else they can opt for other channels as mentioned above for lodging their grievances. The escalation matrix will be same as for other categories of complaints

#### **6. Nodal Officer for handling customer grievances:**

- i) The Principal Nodal Officer at SBI, Corporate Centre, Mumbai for customer grievances redressal is the General Manager (Customer Service), Customer Service Department. The Principal Nodal Officer is responsible for implementation and monitoring of customer grievances redressal in the entire Bank. Aggrieved customers can write quoting their complaint number to the Principal Nodal Officer regarding their grievances.

The address and contact particulars of Nodal Officer are available on the Bank's website as also with the Help lines functioning at 17 Local Head Offices across the country.

- ii) The Nodal officer for grievance redressal at Local Head Offices shall be the respective General Manager (Network) and grievances will be handled by the Customer Service Department under his control. The Network Nodal Officer shall monitor the implementation of the Bank's grievances redressal mechanism in Branches of his Network. There will be a Deputy General Manager (Customer Service & Ops) & an AGM (Customer Service) in each LHO for coordinating with

all the networks and Corporate Centre. They shall bring the deficiencies, if any, to the attention of the Chief General Manager (LHO) for rectification. The Network Nodal Officer shall also ensure implementation of policies and instruction relating to the Bank's Codes of Commitments to customers and instructions on customer service issued by the RBI, DPG and other Regulatory Agencies.

#### **7. Acknowledgement of Grievances and Redressal:**

- i) The Branch, RBO, LHO or the Corporate Centre as the case may be can lodge, will acknowledge the grievance within three (3) working days of receipt and initiate action to have the grievance resolved within a maximum period of three weeks from the date of receipt. The customer will also be kept informed of the action taken, the reasons for delay if any, in redressal and the progress in redressal of grievance. Complaint in CMS can be lodged at any level from Branch to Corporate Centre.
- ii) Complaints received by e-mail shall be acknowledged by email to the extent possible. The follow up action taken in respect of such complaints shall be advised to customers by email / SMS. However, in cases of complaints of serious nature and delays in redressal etc., a paper trail will necessarily be created.
- iii) In case the customer is unhappy with the redressal provided by the Bank or his grievance has not been redressed within one month of the date of the complaint, he can also approach the Banking Ombudsman concerned for redressal. The customer will be given the necessary guidance in this regard by the Branches / LHOs. The contact details of the Banking Ombudsman of the respective Region shall be displayed at each Branch.

#### **8. Review Mechanism**

Apart from random review of serious types of complaints by the Top Management, our Bank has different committees at Corporate Centre level for review of grievances and grievance redressal mechanism of the Bank. At Circle level, similar review mechanism is in place at all the Local Head Offices. Based on RBI benchmarks, half yearly self-appraisal of Customer Service along with review of complaints is also placed before the Central Board of the Bank.

### **Internal Ombudsman (Review mechanism)**

One or more Internal Ombudsmen (I.O.) will be appointed by the Bank who will review the negative closures of complaints and will be guided by the provisions contained in the Internal Ombudsman Scheme, 2018 of RBI. The Scheme is available on our web site [www.sbi.co.in](http://www.sbi.co.in).

### **9. Enhanced disclosure on complaints:**

The Bank shall make the disclosures on complaints in the Annual Reports as mandated by RBI. These disclosures are intended to provide to the customers and members of public, greater insight into the volume and nature of complaints received from customers and the complaints received from the Offices of Banking Ombudsmen, as also the quality and turnaround time of redress.

### **10. Pre-empting occurrence of customer grievances & sensitizing operating staff on handling complaints**

Customer grievances provide valuable feedback on quality of service at Branches and whether the initiatives taken by the Bank in technology and re-engineering of business processes are having the desired impact on business growth and improved customer satisfaction. The Bank also understands the importance of sensitizing staff to handle customer transactions / requests with courtesy, empathy and promptness. All Branches shall form a Customer Service Committee with representation of officers, clerical staff and subordinate staff as well as customers (including Senior Citizen Customers) as laid down in this regard. The Committee shall hold a meeting on 15<sup>th</sup> of every month (on previous working day in case 15<sup>th</sup> is a holiday) and deliberate on all issues relating to customer service at the Branch and take suitable action as decided by the Committee for improvement of customer service at the Branch. Customer Relations Programs shall be organized at all Branches at least once every quarter on 25<sup>th</sup> of Feb, 25<sup>th</sup> May, 25<sup>th</sup> Aug and 25<sup>th</sup> Nov (on previous working day in case of a holiday) where staff and customers meet and interact freely on service-related issues. While these shall be structured meets, the customers will also be free to meet the Branch Managers / other official at Administrative Offices at all levels to discuss their grievances. Customers' Day shall be observed on the 10<sup>th</sup> and 20<sup>th</sup> of every month. Designated Top functionaries at Regional Business Office, Administrative office, Local Head Office and Corporate Centre shall make themselves

available for a minimum of two hours (3.00 PM to 5.00 PM) on the 10<sup>th</sup> and 20<sup>th</sup> (the following working day in case 10<sup>th</sup> or 20<sup>th</sup> falls on a holiday) of every month for customers to attend to their grievances and listen to their suggestions. The Bank shall also conduct training programs regularly for staff on customer service and minimizing customer grievances. Further, all staff training programs of duration exceeding 3 days, will have a session dedicated for sensitizing the staff and imparting soft skills required for handling irate customers. The Bank shall also conduct customer satisfaction surveys periodically to understand customers' perceptions of SBI's service and to identify priority areas for improvement of customer satisfaction.

.....

**Amendment / Modification of the Policy:**

The Bank reserves the right to amend / modify this Policy, as and when deemed fit and proper, at its sole discretion. The Bank shall arrange to review the Policy at annual intervals.

.....

Note: A copy of this policy is available in our official website [www.sbi.co.in](http://www.sbi.co.in) and bank.sbi under link "customer care".

**References of Circulars/ Guidelines used for drafting Customer Rights and Grievance Redressal Policy 2021**

1. RBI Circular letter CEPD. CO. PRS. No. 9957 / 20.60.001/2014- 15
2. "Charter of Customer Rights" for banks formulated in Bimonthly Policy Statement (2014-15) of RBI
3. Master Circular on Customer Service in Banks 2015 (RBI Circular DBR. No. Leg.BC.21.09.07.006/2015-16 dated 01.07.2015)
4. RBI Notification no. DBR. No. Leg. BC.78/09.07.005/2017-18 dated 06.07.2017.
5. RBI Letter CEPD CO. PRS Cir No. 01/13.01.009/2018-19 dated 03.09.2018

6. BCSBI Code of Bank's Commitment to Customers
7. RBI Notification RBI/2020-21/21 DPSS.CO.PD No.116/02.12.004/2020-21 dated 06.08.2020 on Online Dispute Resolution
8. RBI Notification RBI/2020-21/87  
CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27.01.2021 on  
Strengthening of Grievance Redress Mechanism in Banks.

\*\*\*\*\*





## **COMPENSATION POLICY (BANKING SERVICES) - 2021**

### **1. Preamble:**

Technological progress in Payment and Settlement Systems and qualitative changes in operational Systems and Processes undertaken by various players in the market, have improved efficiencies for providing better service to the users of the system. It has been the endeavour of the Bank to offer services to its customers with best possible utilization of its technology infrastructure. Migration of all branches to Core Banking Solution (CBS) platform is a great leap in this direction. Reserve Bank of India has also been issuing various instructions / guidelines, from time to time. The recent instructions / guidelines include instructions on Harmonisation of TAT and customer compensation for failed transactions using authorised Payment Systems (Notification no.DPSS.CO.PD.no.629/02.01.014/2019-20 dated 20.09.2019). With a view to improving the level of Customer Service available to customers of the Bank, the Compensation Policy for the Bank has been formulated.

### **2. Objective:**

The objective of the "State Bank of India Compensation Policy for Banking Services", hereinafter called as the Policy, is to establish a system whereby the Bank compensates the customer for the loss or inconvenience due to deficiency in service on the part of the Bank or any act of omission or commission, directly attributable to the Bank.

### **3. Scope:**

- a) The Policy will be applicable for all banking services to the customers of the Bank and covers all branches / offices of State Bank of India in India.
- b) The Policy is based on principles of transparency and fairness in the treatment of customers. It is designed to cover deficiency in service in areas relating to



unauthorized / erroneous debit, non-execution / delayed execution of debit / credit NEFT / NECS / ECS / NACH transactions including Unauthorized Electronic Banking Transactions, issuance of ATM / Debit Cards without written consent of customers, Payment of Cheque after acknowledgement of Stop Payment Instructions / Non-blocking of lost ATM card / UPI services / INB services after acknowledgement of request for its blocking, delay in collection of local / outstation cheques and cheques drawn on Foreign countries, adverse movement in Exchange Rates, loss of cheques / instruments in transit, delay in settlement of disputed ATM transactions and other electronic / digital transactions, transactions on Automated Deposit cum Withdrawal Machine, delay in pension payment, delay in issuance of duplicate IOI, delay in release of securities after payment of all dues, etc. as specified in the Policy.

- c) Grant of compensation under this Policy is without prejudice to the Bank's rights in defending its position before any Court of Law, Tribunal or any other forum duly constituted to adjudicate Banker Customer disputes and does not constitute admission of liability or any other issue, of any nature whatsoever, for the purposes of Adjudicatory Proceedings.
- d) Wherever number of days is mentioned, the number of days is considered as "Calendar days", unless mentioned specifically as "working days".

#### **4. Recognition of Deficiency and Compensation:**

##### **4.1 Unauthorised / Erroneous Debit:**

- a) If the Bank has raised an unauthorised / erroneous debit to an account, the entry shall be reversed with value dated credit to deposit / overdraft / loan account immediately on being detected / informed, after due verification.
- b) Further, if the customer has suffered any financial loss incidental to return of a cheque 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 in addition to an amount equivalent to interest calculated on the unauthorized

/ erroneously debited amount at applicable Savings Bank rate, minimum Rs.100/-, besides refunding the cheque return charges.

- c) In case verification of the entry reported to be unauthorised / 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. If it involves a third party or where verification is to be done at overseas centres, the Bank shall complete the verification process within a maximum period of one month from the date of reporting of unauthorised / erroneous transaction by the customer.
- d) In case any amount has been debited to the account of a customer on account of fraudulent transaction(s) and the Bank is at fault, the amount will be restored to the affected customer account without delay / demur, once the fraud is established, with due verification.
- e) If a fraud, in the account of a customer, has been committed by a member of staff, and has been so established, Bank will not only restore the amount, it will also pay compensation @ 1% above the applicable interest rate in respect of deposit / overdraft / loan account, for the period, on the amount involved.

#### **4.2 ECS / Direct debits / NACH / Other debits to accounts:**

- a) The Bank undertakes to carry out, within the prescribed time, direct debit / ECS (Electronic Clearing System) / NACH debit instructions of customers. In the event of non-compliance / delayed compliance of instructions by the Bank to meet such commitments, the customer will be compensated to the extent of any financial loss the customer may incur on account of delay in carrying out the instruction / failure to carry out the instruction.
- b) Such compensation will, in addition to an amount 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. In the event the Bank levies any charge in violation of the arrangement or inadvertently, the Bank will reverse the charges, subject to scrutiny of agreed terms and conditions, and compensate the customer with a sum equal to the charges reversed.

#### **4.3 Penal interest payable for delays in credit / return of NEFT / NECS / ECS / RTGS**

##### **transactions:**

In terms of the NEFT / NECS / ECS Procedural Guidelines of RBI, as also the relevant circulars / instructions issued by RBI from time to time, the Bank will afford credit to beneficiary accounts or return transactions (uncredited for whatever reason) to the originating / sponsor Bank within the prescribed timeline. Any delays in doing so will attract the following penal provisions:

##### **4.3.1 NECS / ECS-Credit:**

In case of delayed credit by the destination bank, the destination bank would be liable to pay penal interest (at the prevailing RBI LAF Repo rate plus two percent) from the due date of credit till the date of actual credit. Such penal interest should be credited to the Destination Account Holder's account even if no claim is lodged to the effect by the Destination Account Holder.

##### **4.3.2 NEFT:**

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

If it is not possible to afford credit to the account of the beneficiary for any reason, destination banks are required to return the transaction (to the originating branch) within two hours of completion of the batch in which the transaction was processed.

In terms of the RBI ECS (Credit Clearing) procedural guidelines, which clearly stipulate that if a destination Bank branch is not in a position to credit a particular transaction for reasons like "Account Closed / transferred"; "No such Accounts"; "Account description does not tally"; etc., it should report the same and forward it to the Service Branch / Main Branch on the same settlement day.

#### **4.3.3 RTGS**

If it is not possible to credit the funds to the beneficiary customer's account for any reason, the funds received by the RTGS member bank will be returned to the originating bank within one hour of receipt of the payment at the Payment Interface (PI) or before the end of the RTGS Business day, whichever is earlier. Once the money is received back by the remitting bank, the original debit entry in the customer's account needs to be reversed.

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

#### **4.4 Issue of ATM / Debit Cards without written consent of customers:**

Bank shall not dispatch a card to a customer unsolicited, except in the case where the card is a replacement for a card already held by the customer. If done, the said ATM / Debit card will be taken back by the Bank and cancelled. The Bank would not only reverse the charges, if levied, immediately but also pay compensation to the customer @ Rs. 100/- (Rupees One Hundred only).

#### **4.5 Payment of Cheque after acknowledgement of Stop Payment Instructions / Non-blocking of lost ATM Card – UPI Services – INB Services after acknowledgement of request for its blocking:**

**4.5.1** The instruction for Stop Payment of cheque / blocking of lost ATM card / Non-Disabling of UPI Services - INB Services will be accepted at any Branch / through Contact Centre (Stop Payment instructions from authenticated Phone Banking users. Disabling of INB Services

in case of reporting unauthorised transactions) / Internet Banking (alternate channel).

**4.5.2** In case a cheque has been paid after acknowledgement of its stop payment instruction / ATM Card has not been blocked / UPI services / INB Services has not been disabled in the requested account after such a request has been acknowledged by the Bank, the Bank shall reverse the debit on account of stopped cheque / blocked ATM card / UPI transaction – INB Transaction with value dated credit within two working days of the customer intimating the transaction to the Bank, and also compensate the customer with Rs.100/-.

**4.5.3** However, no compensation will be paid if cheque has been paid / ATM Card transaction / UPI-INB transaction has occurred prior to acknowledgment of instructions for stop payment of cheque / blocking of lost ATM Card / UPI -INB Services.

#### **4.6 Limiting Liability of Customers in Unauthorised Electronic Banking transactions:**

The systems and procedures in the Bank have been designed to make customer feel safe about carrying out Electronic Banking Transactions. On receipt of report of an unauthorised transaction from the customer, Bank to take immediate steps to prevent further unauthorised transactions in the account.

##### **4.6.1 Reporting of Unauthorised Transactions by customers to Banks:**

- a) Customers will mandatorily register for SMS alerts and wherever available register for e-mail alerts, for electronic banking transactions. The SMS alerts shall mandatorily be sent to the customers, while email alerts may be sent, wherever registered.
- b) The customers will be advised to notify the Bank of any unauthorised electronic banking transaction at the earliest after the occurrence of such transaction, and informed that the longer the time taken to notify the Bank, the higher will be the risk of loss to the Bank / customer. To facilitate this, the Bank will provide customers with

24x7 access through multiple channels (at a minimum, via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorised transactions that have taken place and / or loss or theft of payment instrument such as card, etc.

- c) The Bank will also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts and the customers will not be required to search for a web page or an e-mail address to notify the objection, if any.
- d) Further, a direct link for lodging the complaints, with specific option to report unauthorised electronic transactions shall be provided by the Bank on home page of the website <https://www.bank.sbi> or [sbi.co.in](https://www.sbi.co.in).
- e) The loss / fraud reporting system shall also ensure that immediate response (including auto response) is sent to the customers acknowledging the complaint along with the registered complaint number.
- f) The communication systems used by the Bank to send alerts and receive their responses thereto will record the time and date of the message sent and receipt of customer's response, if any, to the Bank. This shall be important in determining the extent of a customer's liability.
- g) The Bank will not offer facility of electronic transactions, other than ATM cash withdrawals, to customers who do not provide mobile numbers to the Bank.

- h) On receipt of report of an unauthorised transaction from the customer, the Bank will take immediate steps to prevent further unauthorised transactions in the account.

#### **4.6.2 Limited Liability of a Customer:**

a) **Zero Liability of a Customer:**

A customer's entitlement to zero liability shall arise where the unauthorised transaction occurs in the following events:

- (i) Contributory fraud / negligence/ deficiency on the part of the Bank (irrespective of whether or not the transaction is reported by the customer).
- (ii) Third party breach where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, and the customer notifies the Bank within three working days of receiving the communication from the Bank (by SMS alert, email or letter) regarding the unauthorised transaction.

b) **Limited Liability of a Customer:**

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

- (i) In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorised transaction to the Bank. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the Bank.
- (ii) In cases where the responsibility for the Unauthorised 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 Table 1, whichever is lower.

**Table 1**

**Maximum Liability of a Customer under above paragraph 4.6.2.b (ii)**

<b>Type of Account</b>	<b>Maximum liability (₹)</b>
<ul style="list-style-type: none"><li>• BSBD Accounts</li></ul>	5,000
<ul style="list-style-type: none"><li>• All other SB accounts</li><li>• Pre-paid Payment Instruments and Gift Cards</li><li>• Current / Cash Credit / Overdraft Accounts of MSMEs</li><li>• 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</li><li>• Credit cards with limit up to Rs.5 lakh</li></ul>	10,000
<ul style="list-style-type: none"><li>• All other Current / Cash Credit / Overdraft Accounts</li><li>• Credit cards with limit above Rs.5 lakh</li></ul>	25,000

**4.6.3** Overall liability of the customer in third party breaches, as detailed in paragraph 4.6.2.a (ii) and paragraph 4.6.2.b (ii) above, where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, is summarised in the Table 2:



**Table 2**  
**Summary of Customer's Liability**

<b>Time taken to report the fraudulent transaction from the date of receiving the communication</b>	<b>Customer's liability ( ₹)</b>
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table 1, whichever is lower
Beyond 7 working days	Full liability.

The number of working days mentioned in Table 2 shall be counted as per the working schedule of the Home Branch of the customer excluding the date of receiving the communication.

Further, if the delay in reporting is beyond seven working days, the customer liability shall be full. For such inordinate delays (beyond seven working days) the Customer shall bear the full liability / loss and the Bank will not bear any loss or liability. However, the Bank may extend its support (by issuing required certificates / statements free of cost) to the Customer, if specifically requested by the Customer, without incurring any liability in any manner, for his efforts for recovering the lost amount from the miscreants.

**4.6.4. Reversal Timeline for Zero Liability / Limited Liability of customer**

On being notified by the customer, the Bank will credit (shadow reversal) the amount involved in the unauthorised 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 the unauthorised transaction.

#### **4.6.5. Burden of Proof**

The burden of proving customer liability in case of unauthorised electronic banking transactions shall lie on the bank.

#### **4.6.6 Further, Bank will ensure that:**

- a) 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 4.6.2 to 4.6.4 above.
- b) where it is unable to resolve the complaint, or determine the customer liability, if any, within 90 days, the compensation as prescribed in paragraphs 4.6.2 to 4.6.4 is paid to the customer: and
- c) in case of debit card / Bank account, the customer does not suffer loss of interest.

#### **4.7. Collection of Cheques drawn on Foreign countries:**

**4.7.1** The Bank will not compensate the customer for delays in collection of cheques drawn on banks in 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 differs 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.

**4.7.2.** The Bank has a network of branches, linked branches and Global Link Services (GLS) Department. GLS uses services of different Correspondent Banks with large volumes, robust systems, suitable technology back up and country specific strengths to provide efficient service. Different Correspondent Banks are able to offer varied customized products to the Bank for risk reduction, quicker collection, improved reconciliation etc.

#### **4.7.3. Time Frame for credit of proceeds of Foreign Currency Cheques:**

The time for credit of proceeds of Foreign Currency Cheques to the customer's account will be 10 days from the date of clear credit to NOSTRO account, including cooling period. However, it will not be exceeding 45 days from the date of deposit of cheques / instruments, except for the cheques / instruments in Canadian Dollar (CAD) for 10000/- & above, where it will be 10 days from credit to NOSTRO account.

- i. Delay in collection of cheques payable at Foreign centres will be construed if the customer's account is not credited within 10 days i.e. after taking into account the prescribed cooling period for that currency, with the correspondent, from the date of clear credit.
- ii. For the sake of uniformity and clarity, the date of Clear Credit is defined as the date on which clear funds are available in Bank's NOSTRO Account after an actual or notional cooling period – for actual credit to customers' account as per Bank's agreement with the concerned Correspondent Bank. Wherever there is no specific agreement on the cooling period, or the funds are directly collected from a paying bank, the Clear Credit Date will be after observing a cooling period, as per the discretion of the Bank, for that specific currency / country / clearing system, from the date of actual credit to Bank's Nostro Account.

The compensation on account of delay in collection of instruments in foreign currency will be paid in Indian Rupee, as detailed below:

- a) At Savings Bank rate from the date of clear credit to NOSTRO Account till the date of payment if the period of delay is beyond prescribed collection period.

For example:

Date of NOSTRO A/C credit	01.08.2017
Add 15 days cooling period	16.08.2017
To be paid within 10 days	26.08.2017 (No delay)
Delayed interest payment, if proceeds are not credited within 26.08.2017. The date of delay will be counted from the date NOSTRO a/c credited to the date of credit to the account (excluding credit date) i.e. payment after 26 <sup>th</sup> Aug., will entitle payment of interest from 1 <sup>st</sup> Aug., 2017 till the date of payment upto 45 days from 26 <sup>th</sup> Aug., 2017.	

- b) In case of abnormal delay, i.e. delay exceeding 45 days, interest will be paid at term deposit rate applicable for the period and for delays beyond 90 days, 2% above the applicable term deposit rate.

In the above example delay exceeding 45 days (beyond 26/08/17) will be, if not paid till 10<sup>th</sup> Oct., 2017.

<b>Delay/ Abnormal delay</b>	<b>Delayed interest @</b>
>45 days to 90 days	TDR rate.
>90 days	2 % above TDR rate.

- c) In the event of the proceeds of cheque under collection being required to be credited to an overdraft / loan account of the customer, interest will be paid at the rate applicable to the loan account, if the delay is less than 45 days. For abnormal delays, i.e. beyond 45 days, interest will be paid at the rate of 2 % above the applicable interest rate to the loan account.
- d) Such interest shall be payable with a minimum of Rs. 25/-.
- e) Compensation as detailed above shall be paid without any formal demand from customers.
- f) No separate compensation is payable by the Bank on account of movement in the value of the respective currencies.

#### **4.8. Compensation for adverse movement in exchange rates:**

**4.8.1.** FEDAI Rules – 7.1 Edition effective from 1<sup>st</sup> July, provide for compensation for delayed collection of export bills, for delayed payment of outward remittances etc.

**4.8.2.** On the assumption that the customer has complied with FEMA guidelines and Bank's requirements, the following Compensation guidelines are prescribed:

**a) Payment to Exporter:**

In case of delay beyond the date when the Forex amount is due for credit, compensation is payable for adverse movement of exchange rate. The compensation will be decided as follows:

- (i) In case the rate ruling on the date of payment is better for the customer compared to the rate that was ruling on the day the amount was due for credit, no compensation needs to be paid.
- (ii) In case the rate ruling on the date of payment is adverse for the customer compared to the rate that was ruling on the day the amount was due for credit, compensation shall be determined as 50 % of the difference between the two rates.

**Note:** If the exporter has expressed willingness to keep part of the proceeds in EEFC A/c, no compensation would be payable for the amount not converted.

**b) Payment of foreign inward remittances:**

All remittances up to USD 5000/- or equivalent meant for retail customer (i.e. individuals) are to be converted at the prevailing Card Rates and credited to their respective account immediately. However, for the convenience of the customer, the facility may be extended up to USD 10,000 or equivalent. Since Inward Remittance Cell (IRC) at Global Market Unit (GMU) Kolkata will put through conversion transactions up to USD 10,000 or equivalent and as per FEDAI guidelines customer consent is required for remittances above USD 5000 equivalent, there may be occasions where the customer might require the remittances proceeds in Foreign Currency (FC). In such cases, IRC will facilitate re-conversion at level rate within 07 days from the date of transaction(s) as and when requested by the Branch on behalf of customer. Compensation would be payable:

- (i) If the remittance is not converted within 10 days of receipt of remittance advice from abroad and
- (ii) There is an adverse movement of exchange rate between the date of payment and the last due date.

(iii) The quantum of compensation would be determined as 50 % of the difference between the rates ruling on those dates (i.e. on the due date of payment and the date of conversion).

#### **4.9. Collection of cheques payable in India**

##### **4.9.1. Payment of Interest for delayed Collection of Outstation Cheques:**

As part of the Compensation Policy of the Bank, the Bank will pay interest to its customers 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, which is as under:

	<b><u>SBI</u></b> <b><u>Branches</u></b>	<b><u>Branches of</u></b> <b><u>other Banks</u></b>
a) Collections between Metropolitan: Centres/ Major 'A' Class Cities (Mumbai, Chennai, Kolkata, New Delhi, Ahmedabad, Bangalore & Hyderabad)	6 days	7 days
b) Collections between places at (a): above and State Capitals (other than North Eastern States & Sikkim) and Area I Cities, i.e. Pune, Nagpur, Kanpur, Surat, Visakhapatnam, Vadodara, Kochi, Indore, Ludhiana, Coimbatore, Agra, Madurai and Varanasi	8 days	10 days
c) Collections between all other: Centres	10 days	14 days

#### **4.9.2. Interest for delayed collection shall be paid at the following rates:**

- a) For collection of Cheques drawn on SBI, Saving Bank rate for the period of delay beyond 6 / 8 days 4.9.1 (a) & (b) and 10 days for 4.9.1 (c), (interest will be payable) from 7<sup>th</sup>/ 9<sup>th</sup> day for the centres (a)& (b) and 11<sup>th</sup> day for the centre (c).
- b) Saving Bank rate for the period of delay beyond 7 / 10 / 14 days, as the case may be, in collection of outstation cheques drawn on other banks, i.e. [the interest will be payable] from 8<sup>th</sup> /11<sup>th</sup> / 15<sup>th</sup> day.
- c) Where the period of delay is beyond 14 days, interest will be paid at the rate applicable for term deposit for the corresponding period or Saving Bank rate, whichever is higher.
- d) In case of extraordinary delay, i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- e) In the event of the proceeds of cheque under collection to be credited to an overdraft / loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the rate applicable to the loan account.

**4.9.3.** Interest as above shall be payable with a minimum of Rs.25/-. Such interest shall be paid without any demand from customers in all types of accounts.

#### **4.10. Compensation for delay in clearance of Local Cheques:**

**4.10.1. Cheques** deposited in the drop-box within branch premises, before the specified cut-off line will be sent for clearance on same day, for which the clearance period will be T+1 working days. Cheques deposited after the cut-off time will be sent for clearing on next day, for which clearance period will be T+2 working days.

**4.10.2.** The compensation to the customers is payable in case of delay in clearance of local cheques beyond above stipulated period in all types of accounts at Savings Bank interest rate.

**4.10.3.** Bank shall also permit usage of the shadow credit afforded to the customers' account immediately after closure of relative return clearing and withdrawal may be allowed on the day of affording shadow credit or maximum within an hour of the commencement of business on the next working day, subject to usual safeguards.

**4.11. Compensation for loss of Cheques / Instruments in transit**

- a) In the event a cheque or an instrument accepted for collection is lost in transit or in clearing process or lost by the Service Provider ( in case of CMP), the Bank shall immediately, on coming to know of the loss of instrument, bring the same to the notice of the account holder so that the account holder 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 cheque / instrument. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.
- b) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection, as per the Cheque Collection Policy of the Bank, (7 / 10 / 14 days as the case may be) interest will be paid for the period beyond the stipulated collection period at the rates specified in para 4.9.2 above for cheques payable in India and at rates specified at Para 4.7 above in regard to cheques payable abroad.
- c) Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for possible further delay in obtaining duplicate cheque /instrument and collection thereof.
- d) The Bank would also compensate the customer for any reasonable charges which 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, subject to a maximum of Rs. 250/-.



**4.11.A Delayed Collection of Bills: Payment of interest for Delay in collection of Bills:**

The lodger's bank should 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 should 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 drawee (iii) Remittance of proceeds to the lodger's bank (iv) Crediting the proceeds to drawer's account.

**4.12. ATM Failure: Compensation to customer for settlement of disputed ATM transactions / Automated Deposit cum Withdrawal Machine (ADWM):**

**4.12.1** 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. As per RBI instructions issued vide Circular No. RBI/2019-20/67 DPSS.CO.PD No.629/02.01.014/2019-20 dated 20th September 2019, if an ATM transaction is failed or not complete 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. it should be pro-actively reversed / auto-reversed in customers account within a maximum of T + 5 days (where T is the day of transaction and refers to the calendar date). Accordingly, failure to re-credit the customer's account within T+5 days, the bank should pay compensation @ Rs.100/- per day of delay beyond T + 5 days suo moto, without waiting for a complaint or claim from the customer.

**Compensation as per RBI circular will be applicable for following:**

<b>Description of Incident</b>	<b>Compensation payable</b>
ATM including Micro ATMs Customer's account debited but cash not dispensed.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
<b>Card Transaction</b> Card to card transfer Card account debited but the beneficiary card account not credited.	₹ 100/- per day of delay beyond T + 1 day.
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.	₹ 100/- per day of delay beyond T + 5 days.
Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system.	

**4.12.2** In case of dispute in regard to delayed credit to the customer's account from Automated Deposit cum Withdrawal Machine (ADWM), the Bank will pay the interest at the applicable rate of the customer's deposit / overdraft / loan account for the delayed period, after due verification. However, in case of any dispute related to genuineness of the currency deposited in the ADWM, it will not be covered under Bank's compensation policy.

**4.12.3 Technical failure: Compensation to customers for**

**Mobile Banking / Internet Banking (MBS / INB) / Mobile wallets and**

**Other Digital Products:**

In case of dispute with regard to unsuccessful transactions in MBS / UPI / INB due to technical fault / error, in addition to auto reversal of such entries by the System compensation will be paid as per table:

Description of Incident	Compensation payable
<p><b>Immediate Payment System (IMPS)</b></p> <p>Account debited but the beneficiary account is not credited.</p>	<p>₹ 100/- per day of delay beyond T + 1 days, to the credit of the account holder.</p>
<p><b>Unified Payments Interface (UPI)</b></p> <p>Account debited but the beneficiary account is not credited (transfer of funds).</p>	<p>₹ 100/- per day of delay beyond T + 1 day.</p>
<p>Account debited but transaction confirmation not received at merchant location (payment to merchant).</p>	<p>₹ 100/- per day of delay beyond T + 5 days.</p>
<p><b>Aadhaar Enabled Payment System (including Aadhaar Pay)</b></p> <p>a. Account Debited but transaction confirmation not received at Merchant location.</p> <p>b. Account Debited, but beneficiary account not credited.</p>	<p>₹ 100/- per day of delay beyond T + 5 days.</p>
<p><b>Aadhaar Payment Bridge System (APBS)</b></p> <p>Delay in crediting beneficiary's account</p>	<p>₹ 100/- per day of delay beyond T + 1 days.</p>

<p><b>National Automated Clearing House (NACH)</b></p> <p>a. Delay in crediting beneficiary's account or reversal of amount.</p> <p>b. Account debited despite revocation of debit mandate with the Bank by the customer</p>	<p>₹ 100/- per day of delay beyond T +1 days.</p>
<p><b>Prepaid Payment Instruments (PPIs) – Cards or Wallets.</b></p> <p>Off-us transactions.</p>	<p>The Transaction will ride on UPI, Card Network, IMPS etc, as the case may be. The compensation rule of respective system shall apply.</p>
<p><b>Prepaid Payment Instruments (PPIs) – Cards or Wallets.</b></p> <p>On us transaction:</p> <p>a. Beneficiary's PPI not credited.</p> <p>b. PPI debited, but transaction confirmation not received at Merchant location</p>	<p>₹ 100/- per day of delay beyond T + 1 days.</p>

#### **4.13 Compensation for Delay in Pension Payment:**

**4.13.1** As per RBI instructions, pension (normal pension) of Central / State Govt.

pensioners should be credited to their account on any of the last four working days of each month, except the pension for March every year which will be credited on the first working day of April.

**4.13.2** As regards disbursing revised pension / arrears, pensioners should get the revised pension / arrears on the last day of the succeeding month, after the month in which the concerned Government announces the revision and date for implementation. In other words, each Agency Bank is getting adequate

reaction time ranging from 30 to 60 days to obtain the revised parameters from the respective Government department and implement the same in time.

**4.13.3** The concerned pensioner should be compensated for delay beyond the due date (last date of the succeeding month subsequent to the month of issue of order by the concerned Government Department) at the rate of 8% (fixed rate) on the revised pension / arrears for the delay period. This compensation shall be credited to the pensioner's account automatically without any claim from the pensioner in respect of all delayed pension payments made since October 1, 2008.

**4.13.4** In case of very complicated pension cases requiring reference back to the respective Government / Department, the due date would commence from the date of obtention of final clarification from the Government concerned.

**4.14. Compensation for delay in Issuance of Duplicate IOI (Inter Office Instrument):**

Duplicate IOI will be issued within 7 working days from the date of 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 for the delay beyond 7 days as compensation to the customer.

**4.15. Payment of "at par" Cheques issued by other Banks**

**4.15.1** Bank will not pay any compensation, to the cheque holder, for dishonour of "at par" cheques issued by other banks, including co-operative banks, in the absence of adequate funds in the account on which cheques are issued even though the amount of the cheque may have been paid to the Bank, which had issued the "at par" cheque.

**4.15.2** RBI instructions stipulate that banks will not honour cheques drawn on current accounts maintained by other banks with it, unless arrangements are made for funding cheques issued. Issuing bank shall be responsible to compensate the cheque holder for non-payment of cheques in the absence of adequate funding arrangement.

#### **4.16. Lenders' liability: Commitments to borrowers:**

The Bank has adopted the principles of "Lenders' liability". In terms of guidelines for "lenders' liability" and the "Code of Bank's commitment to customers" adopted by the Bank, the Bank would return to the borrowers all the securities / documents / title deeds of the mortgaged property within 15 days of repayment of all dues agreed to or contracted, subject to any other right / lien / claim by the Bank till the relevant claim is settled / paid. If any right to set off is to be exercised for any other claim, Bank shall give due notice with full particulars about the other claims and retain the securities / documents / title to mortgaged property till the relevant claim is settled / paid. In the event of loss of title deeds to mortgaged property at the hands of the Banks, the compensation will cover out of pocket expenses for obtaining duplicate documents on actual basis subject to a ceiling of Rs.5000/- plus a lump sum amount, as decided by the Bank in the following manner:

"The Bank would pay the compensation for delay in return of securities / documents / title deeds of the mortgaged property beyond 15 days of repayment of all dues agreed to or contracted, subject to above conditions, @ Rs.100/- per day (maximum Rs.5000/-) to the borrower".

#### **4.17 Compensation for wrongful dishonour of cheques / ECS / SI:**

In case of complaints received from the customers for wrongful dishonour of cheques / ECS / SI, the Bank shall take appropriate steps to investigate the reason for such lapses and shall communicate to the customer within 7 working days from the date of receipt of complaint. Otherwise, the Bank may compensate the customer suitably for financial loss as decided by the Bank with minimum of Rs.100/- per day for the period of delay, subject to a maximum of Rs. 1,000/-, wherever justified.

##### **4.17.1 Compensation payable to the customers on account of non-compliance / non-updating of customer instructions (for example non-updating of mobile number / mode of operation / signature of customer etc)**

In such cases, the Bank shall take appropriate steps to investigate the reason for such lapses and shall communicate to the customer within 7 working days

from the date of receipt of complaint. Otherwise, the Bank may compensate the customer suitably for financial loss as decided by the Bank with minimum of Rs.100/- per day for the period of delay, subject to a maximum of Rs. 1,000/-, wherever justified.

#### **4.18 Compensation in case of delay on the part of the Bank to upload Application Supported by Blocked Amount (ASBA):**

**4.18.1** The following operational / technology issues may result in delay or failure on the part of the Bank to upload ASBA applications. This is an illustrative list and not exhaustive.

- a) Bank's INB portal is down.
- b) Bid data accepted for customer data entry but not captured / retained in Bank's System.
- c) Omission of lien marking in the account but bid in the exchange site.
- d) Lien marked in the account but bid data not uploaded by Bank in the exchange site.
- e) ASBA application received, acknowledgement given to applicant, but bid not uploaded in the exchange site.
- f) Bid amount & quantity and Application amount & quantity differs due to data entry error by Bank's staff.
- g) Lien marked in the wrong account.

**4.18.2** The proposed formula for calculation of minimum fair compensation is as follows:

**Compensation = (Listing price\*- Issue Price) \* (No. of shares that would have been allotted if bid was successful) \* (Probability of allotment of shares determined on the basis of allotment)**

(\*Listing price shall be taken as the highest of the opening price on the day of listing across the recognized Stock Exchanges.)

It is also proposed that in case of issues which are subscribed between 90 - 100%, i.e. non-oversubscribed issues, the applicants would be compensated for the shares which they would have been allotted.

**No compensation would be payable to the applicant in case the listing price is below the issue price.**

Registrar to an Issue and Shares Transfer Agents (RTAs) shall share the basis of allotment file, if sought by the Bank, so that the Bank shall have access to the allotment ratio for the purpose of arriving at the compensation.

Any applicant whose application has not been considered for allotment, due to failure on the part of the Bank shall have the option to seek redressal of the same within three months of the listing date. On receipt of such application/s, Bank would be required to resolve the same within 15 days, failing which it would have to pay interest at the rate of 15% per annum for any delay beyond the said period of 15 days.

#### **4.19. Violations by Bank's Agents**

In the event of receipt of any complaint about any improper act / conduct on the part of agent, in violation of the Code of the Bank's commitment to customers which the Bank has adopted voluntarily, the Bank shall take appropriate steps to investigate and redress the complaint and endeavour to communicate to the customer within 7 working days from the date of receipt of complaint and, where justified, may compensate the customer suitably for financial loss as decided by the Bank. Also, necessary steps will be taken, if required as per Bank's decision, to prevent recurrence of similar complaints.

#### **4.20 Liability of Bank for any loss/damage to the contents of Lockers (effective from 01.01.2022)**

The Bank will 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 shortcomings, negligence and by any act of omission / commission. In instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its



employee(s), the Bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

#### **4.21 Timeline for payment of compensation**

The amount of compensation for deficiencies in various categories of Banking Services as mentioned in this Policy will be paid to the customers within 15 (fifteen) days after the deficiency is acknowledged.

#### **4.22 Authority for payment and control reporting**

The amount of compensation paid at the branch shall require post facto approval by the Controller of the Branch who shall in turn put up Control Report to his Controllers.

### **5. Automation of payment of compensation in CBS:**

IT-CBS Development department has developed the necessary functionality related to automation of payment of compensation for the following deficiencies in CBS and rolled out the same since November 2013. Detailed operational guidelines in regard to payment of compensation to the customers on account of deficiencies in the services have been circulated by way of e-Circular No.: NBG/BOD-GB/70/2014 – 15 dated 05<sup>th</sup> November 2014:

- a) Unauthorised / erroneous debit.
- b) ECS direct debits / other debits to accounts
- c) Issue of ATM / Debit cards without written consent of customers.
- d) Payment of cheques after acknowledgement of stop payment instruction at Home Branch.
- e) Compensation for delayed collection of export bills / payment of foreign inward remittances etc., adverse movement of forex rates and also payment of interest for delay in payment to the exporters on export bill sent for collection and realized by authorized dealers.
- f) Delay in credit / return of NEFT / NECS / ECS transactions

- g) Collection of cheque drawn on Foreign countries
- h) Cheque, lost in Bank's custody, payable in India
- i) Cheque, lost in Bank's custody, payable in foreign countries
- j) Disputed ATM transactions
- k) Delay in credit of pension
- l) Delay in issuance of duplicate IOI.
- m) Lenders' liability, delay in return of securities documents

## **6. Customers' Responsibility:**

- 6.1.** 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.
  
- 6.2.** 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 the Bank has taken steps to prevent its misuse.

## **7. Disclaimer clause:**

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

- a) Any alleged deficiency in regard to loans and advances activities of the Bank.
- b) Dishonour of at par payment agreement with other banks, due to non-funding and security compliance.
- c) 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.

d) Where the issues are sub-judice and pending before Courts, Ombudsman, arbitrator, Government and matter put on hold due to stay.

**8. Force Majeure:**

The Bank shall not be liable to compensate customers under this Policy if some unforeseen event including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fire, natural disasters, pandemic or other "Acts of God", war, damage to the Bank's or its correspondent bank(s) systems, communication channels etc. beyond the control of the Bank, prevents it from performing its obligations within the specified service delivery parameters.

**9. Amendment / Modification of the Policy:**

The Bank reserves the right to amend/modify this Policy, as and when deemed fit and proper, at its sole discretion. The Bank shall arrange to review the Policy at annual intervals.

\*\*\*\*\*

**References of Circulars / Guidelines used for drafting Compensation Policy 2021.**

1. Model Compensation Policy of IBA.
2. Master Circular on Customer Service in Banks 2015 (RBI Circular DBR.No.Leg.BC.21.09.07.006/2015-16 dated 01.07.2015).
3. RBI Notification no. DBR.No.Leg.BC.78/09.07.005/2017-18 dated 06.07.2017.
4. RBI Notification no..DPSS.CO.PD.No.629/02.01.014/2019-20 dated 20<sup>th</sup> September 2019.
5. RBI FAQ on NEFT System updated as on 28.04.2020.
6. RBI FAQ on RTGS system updated as on 07.01.2021
7. RBI revised instructions on Safe Deposit Locker / Safe Custody Article Facility provided by the banks vide their Notification No RBI/2021-2022/86 DOR.LEG.REC/40/09.07.005/2021-22 dated 18.08.2021.