



# **Customer Compensation Policy**

**FY 2023-24**

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## **ADMINISTRATIVE OFFICE**

**The Varachha Co-Op Bank Ltd., Surat**  
Multi State Bank

**Sahkar Bhavan, Opp. Rushikesh Township,  
Vrajchowk, Sarthana Jakatanaka,  
Surat-395013, Gujarat, India.**

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<b>Policy Information</b>	
<b>Title of Policy</b>	Customer Compensation Policy
<b>Authors</b>	THE VARACHHA CO.OP.BANK LTD., SURAT (Short Name in Policy VARACHHABANK)
<b>Approval Process</b>	
<b>Authorizing Person</b>	<b>Board of Directors</b>
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<b>Meeting Date</b>	27/06/2023
<b>Agenda Item</b>	Customer Compensation Policy

<b>Policy Review</b>				
<b>Title of Policy</b>		Customer Compensation Policy		
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### **I. PREAMBLE:**

The Varachha Co-Op Bank Ltd., Surat aims to offer high level of service to all its customers at all times. However, in the event, for some reasons that are beyond the control of the Bank or inadvertently, the Bank is unable to meet the service level commitments in dealing with the customers, then the interest of the customers can be safeguarded by referring to the Customer Compensation Policy.

### **II. OBJECTIVE:**

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

### **III. OWNERSHIP:**

The ownership of the Policy lies with The Varachha Co-Op Bank Ltd., Surat.

### **IV. VALIDITY:**

The Policy on "Customer Compensation" will become operative from the date of approval by the Board of Directors and shall remain valid until March-2024. Further, need based changes, if required, will be made from time to time with the approval of the Board.

### **V. APPLICABILITY:**

This Customer Compensation Policy will be applicable to all the customers banking with us and/or depending or availing the services of the Bank. The Policy will also be applicable to all the staff at all the branches/Departments handling banking transactions and related activities.

### **VI. SCOPE:**

- The Policy is designed to cover deficiencies in services in areas relating to unauthorized debiting of account, payment of interest to customers for delayed collection of cheques /instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, foreign exchange services, lending, electronic transactions etc.
- The Policy is based on the principles of transparency and fairness in the treatment of customers.
- The Policy covers only compensation for financial losses in real terms for specific value which the customer 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

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Bank will have of defending its position before any Court of Law or any forum duly constituted to adjudicate banker-customer disputes. The Policy does not cover and is not applicable in respect of claims made by the customer on account of opportunity losses or damages or claims pertaining to reputation loss.

### VII. KEY ELEMENTS COVERED UNDER THE POLICY:

The Policy Document covers the following aspects:

I.	Unauthorized / Erroneous Debits in the account of the customer.
II.	A. Reversal of erroneous debits arising on account of fraudulent Transactions B. Reversal of erroneous debits arising on account of fraudulent unauthorized electronic banking transactions
III.	Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems.
IV.	ACH direct debits / Standing Instructions / other debits to Accounts.
V.	Debits towards Service Charges
VI.	Changes in Terms and Conditions
VII.	Payment of Cheques after Stop Payment Instructions
VIII.	Delay in clearance of Local Cheques
IX.	Delay in credit/return of NEFT / NACH/ACH transactions
X.	Return of all securities / documents / title deeds of mortgaged property
XI.	Foreign Exchange Services
XII.	Remittance in India/ Collection of cheques payable in India
XIII.	Cheque / Instruments lost in transit / in clearing process
XIV.	Issuance of Duplicate Demand Draft
XV.	Violation of the Code by the Bank's agents

#### I. **Unauthorized / Erroneous Debits in the account of the customer.**

- If the Bank has raised an unauthorized/erroneous direct debit to an account, the entry will be reversed immediately on being detected, with proper value date after due verification.
- In the event, the unauthorized/erroneous debit has resulted in a financial loss to the customer by way of reduction in the minimum balance applicable for payment of interest on saving bank deposit or payment of additional interest to the Bank in a loan account, the Bank will compensate the customer for such loss.
- Further, if the customer has suffered any financial loss incidental to return of a cheque or failure of direct debit instructions due to insufficiency of balance on account of the unauthorized / erroneous debit, the Bank will compensate the customer to the extent of such financial losses i.e. Refund of cheque return charges plus an amount equivalent to interest calculated on the unauthorized erroneously debited amount at applicable savings rate.
- In case verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank will arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of the erroneous debit. In case, the verification involves a third party, the Bank will strive to complete the verification process within a maximum period of one month from the date of reporting of the erroneous transaction by the customer.
- 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.
- Erroneous transaction reported by customers/ cardholders in respect of debit card operations requires reference to a card management system for resolution.

### **II. (A) Reversal of erroneous debits arising on account of fraudulent transactions:**

- In case of any fraud, if the Bank establishes the fact that an irregularity / fraud has been committed by its staff towards any constituent it will acknowledge its liability and will restore the amount and also pay compensation @ 1% of the restored amount with the maximum limit of Rs.1000/-
- In cases where neither the Bank nor the customer is at fault, but the fault lies elsewhere in the system and the customer, by providing proper supporting documents establishes that a loss has been incurred, the Bank will restore the erroneously debited amount and also as a

gesture of goodwill will compensate the customer for an amount of 25% of the loss incurred by the customer subject to an upper limit of Rs.1000/-

**(B) Reversal of erroneous debits arising on account of fraudulent transactions:**

The bank shall determine the liability of the customers and compensate them in cases of unauthorized electronic banking transactions as under:

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

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

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

- ✓ 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 unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank.
- ✓ In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and the customer notifies the bank of such a transaction within four to seven working days of receiving the communication from the bank, the per transaction liability of the customer shall be as under:

Table1

Type of Account	Maximum liability (Rs)
•For basic Savings bank deposit Account	5,000/-or transaction value whichever is lower.

<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 MSME's</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>	<p>10,000/- or transaction value whichever is lower.</p>
<ul style="list-style-type: none"> <li>• All other Current/ Cash Credit/ Overdraft Accounts</li> </ul>	<p>25,000/- or transaction value whichever is lower.</p>

**c) Full Liability of a Customer:** The entire liability of the unauthorized electronic banking transactions shall be solely on the Customer in following cases:

✓ Customer shall bear the entire loss in cases where the loss is due to negligence by the customer, e.g. where the customer has shared payment credentials or Account/Transaction details, viz. Internet banking/ Mobile banking user id and pin, Debit/Credit card PIN/OTP or due to improper protection on customer devices like mobile/laptop/desktop leading to malware/ Trojan or Phishing/Vishing attack. This could also be due to SIM deactivation by the fraudster. Under such situations, the customer will bear the entire loss until the customer reports unauthorized transaction to the bank.

✓ In cases where the responsibility for unauthorized electronic banking transaction lies neither with the Bank nor with the customer, but lies elsewhere in the system and when there is a delay on the part of the customer in reporting to the Bank beyond seven working days after receiving the communication from the Bank regarding unauthorized electronic banking transactions

✓ The Bank will not be liable for the losses, in cases where the unauthorized electronic banking transaction was successful through the second factor authentication sent to the Customer's registered email / mobile number. It will be considered as sufficient proof of customer's involvement /consent in effecting the transaction.

✓ Customer should regularly update his/her registered contact details as soon as such details are changed. Bank will only reach out to customer at the last known email/mobile number. Failure of the customer to update the Bank with latest contact details shall be considered as customer negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability



✓ Hence, Bank will not be responsible for any unauthorized transaction initiated by family members or known members of the customer/account holder through debit card/credit card/ prepaid card or via any of the digital channels viz internet banking /mobile banking, UPI, etc...

Overall liability of the Customer in third party breaches where the deficiency lies neither within the Bank nor with the Customer but lies elsewhere in the system, is summarized below:

Table2

Sr.No.	Time taken to report the fraudulent transaction from the date of receiving the communication from the Bank	Customer's liability
1	Within three working days	Zero liability
2	Within four to seven working days	The transaction value or the amount mentioned in Table 1, whichever is Lower.
3	Beyond seven working days	Full Transaction Value (Zero liability on Bank)

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.

**d) Reversal Timeline for Zero Liability/ Limited Liability of customer:**

The Bank shall ensure that:

✓ On being notified by the customer, the bank shall credit (shadow reversal-lien) the amount involved in the unauthorized electronic transaction to the customer's account

within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance, if any)

✓ The credit shall be value dated as of the date of the unauthorized transaction.

✓ Customer's complaint shall be resolved and post determining the liability of the customer, if any, the customer shall be compensated within 90 days from the date of receipt of the complaint;

✓ Irrespective of whether the complaint is resolved or customer liability is determined, the bank shall compensate the customer not exceeding 90 days from the date of receipt of the complaint.

✓ In case of debit card/ bank account, the customer does not suffer loss of interest, and in case of credit card, the customer does not bear any additional burden of interest.

**III. Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems**

✓ Reserve Bank has put in place a framework on Turn Around Time (TAT) for resolution of customer complaints and compensation framework across all authorised payment systems which will result in customer confidence and bring in uniformity in processing of the failed transactions.

✓ The prescribed TAT is the outer limit for resolution of failed transactions.

✓ The bank and other operators / system participants shall endeavour towards quicker resolution of such failed transactions.

✓ Wherever financial compensation is involved, the same shall be effected to the customer's account suo moto, without waiting for a complaint or claim from the customer.

✓ Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman of Reserve Bank of India.

Sr.No.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable

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I	II	III	IV
<b>1</b>	<b>Automated Teller Machines (ATMs) including Micro-ATMs</b>		
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.
<b>2</b>	<b>Card Transaction</b>		
a	Card to card transfer  Card account debited but the beneficiary card account not credited.	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	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.
c	Card Not Present (CNP) (ecommerce) Account debited but confirmation not received at merchant's system.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
<b>3</b>	<b>Immediate Payment System (IMPS)</b>		
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 is beyond T + 1 day.
<b>4</b>	<b>Unified Payments Interface (UPI)</b>		
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 is beyond T + 1 day.
b	Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
<b>5</b>	<b>Aadhaar Enabled Payment System (including Aadhaar Pay)</b>		
a	Account debited but transaction confirmation not received at merchant	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.

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	location.		
b	Account debited but beneficiary account not credited.		
6	<b>Aadhaar Payment Bridge System (APBS)</b>		
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7	<b>National Automated Clearing House (NACH)</b>		
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 is beyond T + 1 day.
b	Account debited despite revocation of debit mandate with the bank by the customer.	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day.	
8	<b>Prepaid Payment Instruments (PPIs) – Cards / Wallets</b>		
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 is beyond T + 1 day.

(Note-T is the day of transaction and refers to the calendar date and R is the day on which the reversal is concluded, and the funds are received by the issuer / originator)

**IV. ACH direct debits / Standing Instructions / other debits to accounts**

The Bank will undertake to carry out direct debit / ACH debits / Standing Instructions of customers within the prescribed time subject to the following:

Customer having already provided valid and complete mandate to accept any debit received through ACH.

- Customer having already submitted a mandate for Standing Instructions
- Direct Debit / ACH received is complete and correct.
- Customer has sufficient balance in the account at the time of executing direct debits / standing instructions / ACH.

In case of failure to carry out the instructions or delayed compliance, subject to the aforesaid clauses, and for reasons directly attributable to the Bank, the Bank will compensate the customers on the following lines:

- For direct debits / ACH debits** – the Bank will compensate the customer at the savings bank interest rate for the period between the due date of direct debit / ACH debit and the date of actual debit carried out by the Bank on the amount to be debited. The Bank will also reimburse the customer to the extent of any penal interest, late payment charges levied by the debit / ACH originating Bank, upon producing evidence of the same.
- For Standing Instructions** – Bank shall compensate the customer to the extent of the financial loss not exceeding Rs.100/- per occasion subject to providing proper supporting documents for having incurred the loss. In addition Instruction shall also be refunded. In the event the Bank fails to meet such commitments, the customer will be compensated to the extent of any financial loss the customer would incur on account of delay in carrying out the instruction/failure to carry out the instructions.
- Where it is established that the bank had issued and activated a credit card without written consent of the recipient, the bank would not only reverse the charges immediately but also pay a penalty without demur to the recipient amounting to twice the value of charges reversed as per regulatory guidelines in this regard.

### **V. Debits towards Service Charges:**

The Bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the Bank and displayed on the Bank's website, notice board. 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 the agreed terms and conditions. Any consequential financial loss by way of loss of saving bank interest on account of reduction in the minimum balance applicable for payment of interest on savings bank deposit or payment of additional interest to the Bank in a loan account or any charges levied for the balance falling below the minimum balance

requirement or any charges levied for return of cheques due to shortfall in balance, will also be compensated to the customer.

**VI. Changes in Terms and Conditions:**

Changes in the terms and conditions will be communicated to the customers. If any change is made in the fees/charges without any notice, then the customers would be given 30 days to accept the change and if such change is to the disadvantage of the customer then the customer may within 60 days and without notice close the account and switch over without having to pay any extra charges or interest.

**VII. Payment of Cheques after Stop Payment Instructions:**

The instructions for Stop Payment will be accepted at any of the branches. In case a cheque has been paid after a stop payment instruction is acknowledged by the Bank, the Bank shall reverse the transaction and give value-dated credit to protect the interests of the customer.

Such debits will be reversed within 2 working days of the customer intimating the transaction to the Bank. In such cases the Bank shall compensate the customer to the extent of direct financial loss, if any, by way of loss of savings account interest on account of reduction in the minimum balance applicable for payment of interest on saving bank deposit or payment of additional interest in a loan account or any charges levied for reason of balance falling below minimum balance requirement or any charges levied for return of cheques due to shortfall in balance.

**VIII. Delay in Clearance of Local Cheques:**

The schedule of timings for daily cheque collection is displayed within the branches. If the cheque has been deposited as per the scheduled timings and yet there is a delay in realization of local cheque on account of error, negligence or fraud on the part of an employee of the Bank or any other fault in the Bank's internal systems compensation at savings bank interest rate shall be paid to the customer for the corresponding period of delay.

**IX. Delay in credit/return of NEFT/NACH/ ACH transactions:**

**NACH / ACH-Credit**

- The Bank would be held liable to pay penal interest at the current RBI Repo Rate plus two per cent from the due date of credit till the date of actual credit for any delayed credit to the beneficiary's account. Penal interest shall be credited to the beneficiary's account even if no claim is lodged.

**NEFT**

- In the event of any delay or loss on account of 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 leading to delayed payment to the beneficiary, the Bank shall pay compensation at current RBI LAF (Liquidity Adjustment Facility) Repo Rate plus two per cent for the period of delay for credit to the beneficiary's a/c.

In the event of delay in return of the fund transfer instruction for any reason whatsoever, 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.

During the NEFT operating hours, originating banks should endeavor to put through the requests for NEFT transactions received by them, either online or across the counters, preferably in the next available batch but, in any case, not exceeding two hours (from the business hours next day), from the time of receipt of the requests. In the likelihood of any delay / possible delay in adhering to this requirement, the originators / customers should be informed of the delay / possible delay and the reasons for the same.

**X. Return of all securities / documents / title deeds of mortgaged property:**

- The Branch / SME/ RASEC will return all the securities / documents / title deeds of the mortgaged property within 15 days of the repayment of all dues agreed to or contracted. If any right to set off is to be exercised for any other claim, the Bank will 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 case of any failure to comply with these and if it is directly attributable to the Bank, the Bank will compensate the customer to the extent of the financial loss not exceeding Rs. 100.00 per day subject to a maximum payment of Rs.1000/-
- In the event of loss of title deeds of the mortgaged property at the hands of the Bank, the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lump sum amount @ of Rs. 100 per day subject to a maximum payment

of Rs.1000/-. In all such cases Bank will also extend all assistance for obtaining duplicate documents.

### **XI. Foreign Exchange Services:**

- The Bank will not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the Bank will not be able to ensure timely credit from the overseas banks. The 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. The Bank, however, will consider upfront credit against such instruments by purchasing the cheque/instrument at cost, provided the conduct of the account has been satisfactory in the past and to the extent it has been permitted by the Regulator.
- However, the Bank will compensate the customer for undue delays in affording credit once the 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 clear credit to Nostro Account after taking into account normal cooling period of 21 days or as stipulated.
- The delays would be construed if the customer's account is not credited within 7 working days, excluding Saturdays, Sundays and holidays from the date of clear credit to the Bank's Nostro account i.e after taking into account the prescribed cooling period of 21 days or as stipulated for that currency with the correspondent.
- The compensation on account of delays in affording credit of instruments (the period of delay will begin after cooling period as stated above) in foreign currency would be paid as follows: -
  - In Indian rupee, at Saving Bank rate and
  - A Compensation for any possible loss on account of adverse movement in foreign exchange rate.

### **XII. Remittance in India/Collection of cheques payable in India:**

The compensation on account of delays in collection of instruments will be as indicated in the Bank's Cheque Collection Policy. Brief details are given below for information:



**Interest payment for delayed collection:**

- In all cases of delay in collection of outstation cheques and other instruments, the Bank will pay interest at saving bank rate for the delayed collection of proceeds of outstation cheques/instruments beyond the stipulated time norms (7/10/14 days)
- If the proceeds are not realized /credited to the customers' accounts or the unpaid instruments are not returned to customers within the period specified from the date of their lodgement, and if the delay is abnormal (i.e. above 30 days) the Bank will pay interest at the rate as applicable for appropriate tenor of fixed deposit for the period of delay beyond the specified period for collection of outstation instruments. Such interest will be paid without any formal demand from the customers in all types of accounts.

**XIII. Cheque / Instruments lost in transit / in clearing process:**

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 will immediately on coming to know of the loss, 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 dishonored 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.
- In case the loss is intimated to the customer beyond the time limit stipulated for collection(7/10/14 days as the case may be), as per the Cheque Collection Policy of the Bank, interest will be paid for the period exceeding the stipulated collection period at the savings rate.
- The Bank will compensate the accountholder for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, (maximum Rs. 500/-) in the event the instrument is to be obtained from a bank/ institution who would charge a fee for issue of duplicate instrument.
- In case the cheque is lost by the Bank, the charges for "stop payment "instructions will not be levied on the customer.
- When a cheque/instrument is claimed to have been deposited by the customer in Drop-Box, but the Bank's records do not show receipt of such cheque with the Bank, the Bank cannot decide on the compensation amount for lost cheque in the absence of details

of cheque like date, amount, drawee bank/branch/drawee centre etc., In such cases, the customer will have to corroborate a claim for lost cheque with full facts, inter-alia including confirmation/enquiries from the drawee person/ banks about genuineness of the claim and, on this basis, if it is established that the customer has, in fact, tendered the cheque in Drop-Box, the Bank will consider payment of compensation to a maximum of Rs.500/- on the basis of verification from CC TV footage.

#### **XIV. Issuance of Duplicate Demand Draft**

The Bank will issue duplicate demand drafts in lieu of a lost demand draft, on the basis of a request from the purchaser, indemnity and confirmation from the beneficiary. The issuance of such duplicate drafts will be within a fortnight of the receipt of the necessary documents at the branch.

For any delay caused by the Bank in issuing a duplicate draft beyond the above stipulated period, the Bank will pay interest at the rate applicable for a fixed deposit of corresponding maturity in order to compensate the customer for such a delay.

#### **XV. Violations of the Code by the Bank's Agents:**

In the event of receipt of any complaint from the customer that the Bank's representatives / couriers have 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 shall take appropriate steps to investigate and redress the complaint and endeavor to communicate to the customers within 7 working days from the date of receipt of the complaint and where justified, may compensate the customer suitably for financial loss if any as decided by the Bank, subject to the customer providing proper supporting documents for having incurred the loss.

#### **VIII. 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, fires, natural disasters 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.

**VIII. CUSTOMER RESPONSIBILITY:**

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 into loss to him/her. The Bank will also not be responsible for the losses arising out of misuse of lost PIN, Cheque book, passbook, compromise of passwords/secure or confidential information, suffered by the customer until the time the Bank has been notified and has taken steps to prevent misuse.

**X. POLICY REVIEW:**

Customer Compensation Policy shall be reviewed annually or whenever any major changes required due to change in threat landscape or IT Infrastructure/ resources/ stakeholders of the Bank.

**For THE VARACHHA CO-OPERATIVE BANK LTD.**

**GM / CEO**

**CHAIRMAN**