



CUSTOMER COMPENSATION POLICY OF THE BANK

1. Objective of the Policy

Axis Bank offers high levels of service to its customers. In the event, for some reasons beyond the control of the bank or inadvertently, the bank is unable to meet the service levels committed in the dealings with individual customer, this compensation policy will be applicable. The policy is based on the principles of transparency and fairness in the treatment of our customers.

2. Scope

Policy compensates the customer only for the financial loss incurred by him/her due to deficiency in the services offered by the Bank or any act of omission directly attributable to the bank. The policy does not cover and is not applicable in respect of claims made by customers on account of opportunity losses or damages or claims for reputational loss. The Compensation policy is therefore, designed to cover areas relating to unauthorized debiting of account, payment of interest to customers for delayed collection of cheques/ instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, foreign exchange services etc. Policy is applicable for resolving issues related to 3rd party products like Insurance and Mutual Funds products distributed by the Bank.

Following areas are covered in the compensation policy of the Bank:

1. Un-authorized / Erroneous debiting of account

- I. If the Bank has raised an erroneous direct debit to an account, upon being informed of the erroneous debit, the entry will be reversed after due verification.
- II. In the event, the 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 savings bank deposit or payment of additional interest to the Bank in a loan account or any charges levied for balance falling below the minimum balance requirement or any charges levied for return of cheques due to shortfall in balance, the Bank will compensate the customer to the extent of direct financial loss
- III. The customer should approach the Bank within a maximum period of one month from the date of the erroneous debit.

- IV. In case the verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank shall complete the process of verification within a maximum period of 7 working days from the date of reporting of the erroneous debit.
- V. In case the verification involves a third party, the Bank shall complete the verification process within a maximum period of one month from the date of reporting of the erroneous transaction by the customer.
- VI. The Bank reserves its right to debit the customer's account for reversing the amounts in case a wrong credit is posted to the account without payment of any compensation.

2. 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 it. In the event, the bank levies any charges in violation of the arrangement it will reverse the same when pointed out by the customer subject to verification of the agreed terms and conditions. Any consequential financial loss to the customer will be compensated as provided under Para 1 point ii.

3. Payment of Cheques after Acknowledgement of Stop Payment Instructions

- In case a cheque has been paid after stop payment instruction is acknowledged by the Bank, the Bank shall reverse the transaction and give value-dated credit to protect the interest of the customer. Such debits will be reversed within 7 working days of the customer intimating the transaction to the Bank. Any consequential financial loss to the customer will be compensated as provided under Para 1 point ii.

4. Funds transfer using NEFT & RTGS

- If NEFT transaction is not credited or returned within stipulated time then the bank will pay penal interest to affected customers. For such instances penal interest will be paid at the current RBI LAF Repo rate plus 2 percent for the period for the period of delay/till the date of the refund as the case may without waiting for a specific claim to be lodged by the customer in this regard.
- In case of RTGS delay in providing credit to the beneficiary's account, bank has to pay the compensation at the current repo rate plus 2% to the beneficiary customer per day. In case of delay in credit on the same day, customer has to be compensated for 1 day. The compensation amount should be credited to customer's account automatically without claim request from customer.

5. Failure to execute Direct Debit/ ECS Debit/Standing Instruction

The Bank undertakes to carry out Direct Debits / ECS debits / standing instructions of customers in time subject to the following: -

- I. Customer having already provided valid and complete mandate to accept any debit received through ECS.
- II. Customer having already submitted a mandate for standing instructions.
- III. Direct debit/ ECS received is complete and correct.
- IV. Customer has sufficient balance in the account at the time of executing direct debits/ standing instructions/ ECS.

In case of failure to carry out the instructions 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 / ECS debits** - The Bank shall compensate the customer by paying penal interest at the current RBI LAF Repo Rate plus 2% from the due date of credit till the date of actual credit without any claims raised by customer.
- **For standing instructions** - The Bank shall compensate the customer to the extent of the financial loss not exceeding Rs 100 per occasion (maximum of Rs.1,000/-) subject to providing proper supporting documents for having incurred the loss. In addition, the service charges, if any, recovered for execution of the Standing Instruction shall also be refunded.

6. Foreign Exchange Services- Collection of cheques outside India denominated in Foreign Currency

The Bank would compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as indicated in the Cheque Collection Policy of the bank. Further bank would also compensate the customer for any possible loss on account of adverse movement in foreign exchange rate.

7. Collection of Instruments within India

Compensation on account of delays in collection of instruments would be as indicated in the bank's Cheque collection policy available on bank's website.

8. Erroneous debits arising on account of unauthorized banking transactions

The following is laid down for all fraud cases, other than those pertaining to electronic transactions:

- If a fraud in account of customer has been committed by a member of staff, and has been so established, Bank will not only restore the amount, it shall compensate the customer without demur
- In cases where neither the bank nor the customer is at fault, but the fault lies elsewhere in the system, the bank will compensate up to a limit of Rs.5000/. Such compensation would be paid only once in the lifetime of an account.

9. Unauthorized electronic banking transaction reported by customers

Unauthorized electronic banking transactions are broadly categorized as under:

- Funds transfer to another account (within the Bank and outside the Bank)
- Transactions done using Credit / Debit Card
- Transactions in shopping malls using Credit/ Debit Card
- UPI transaction, Prepaid card or Forex Card

For all such transactions, compensation will be as per Bank's Customer Protection policy which is available on bank's website.

10. Violation of the Code by Bank's agent

In the event of receipt of any complaint from the customer that the Bank's representative / courier or DSA has engaged in any improper conduct or acted in violation of the Code of Bank's Commitment to Customers, which the Bank has adopted voluntarily, the Bank will take appropriate steps to investigate and to handle the complaint and to compensate the customer for direct financial loss (if any), subject to the customer providing proper supporting document for having incurred the loss. This is also applicable to sale of Third Party Products by Axis Bank staff

11. Transaction of 'at par instruments' of Co-operative Banks

The Bank will not honour cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding against cheques issued. The co-operative bank from whose account the cheques have been issued would be responsible to compensate the cheque holder for non-payment / delayed payment of cheques in the absence of adequate funding arrangement

12. Delay in release of Securities / Documents / Title deeds

The Bank has adopted the principles of liability of lenders. In terms of the guidelines for lender's 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, including principal amount, interest, EMI, costs, service charges and all other amounts due. This is subject to there being no outstanding under any other loan / overdraft / other financial facility availed by the borrower from the Bank. In case of delay on the part of the Bank in returning such documents, the Bank will compensate the borrower at the rate of Rs. 100/- per week, subject to a maximum payment of Rs.1000/- (per borrower).

- There will be no compensation paid to the Borrower(s)/ Guarantor(s) in following circumstances:
 - i. Force Majeure Events
 - ii. If there is delay on the part of Borrower(s)/ Guarantor(s). For eg. If any Borrower(s)/ Guarantor(s) is not available or does not have required Identity Proof to prove that he is the same person.
 - iii. If the Borrower(s)/ Guarantor(s) have changed their residential/ mailing address/ phone numbers and have not intimated the Bank and the Bank is not able to contact them for collection of original title of documents. (Intimation by way of phone, letter or email to any of the Borrower(s)/ Guarantor(s) will be deemed intimation to all Borrower(s)/ Guarantor(s).)

In case the Bank receives any complaint/ claim/ demand from the Borrower(s)/ Guarantor(s), legal heirs, executors, successors, joint owners/ holder(s), etc. intimating the Bank about inter se disputes and/ or not to hand over the title documents or hand over the same to particular person(s), etc. Bank shall direct the parties to resolve their disputes and thereafter approach the Bank with joint application signed by all concerned for release of such title documents or obtain necessary direction from competent authority/ court. Till such time, the Bank shall not be liable to release the title documents to the Borrower(s)/ Guarantor(s) (as the case may be) and shall not be liable to pay any party.

13. Delay in crediting failed ATM transactions

The Bank will investigate and convey its decision on accepting or declining the request within 7 working days from receipt of customer complaints. In the event of delay of passing on the credit, compensation of Rs.100/- per day after 7 working days from the date of receipt of customer complaint will be credited to the customer's account automatically, without any claim from the customer, on the same day when Bank affords the credit for the failed ATM transactions. Any customer is entitled to receive such compensation for delay, only if a claim is lodged with the issuing bank within 30 days of the date of the transaction.

14. Payment of interest for delay in issue of duplicate draft

- Duplicate draft will be issued to the purchaser on the basis of adequate indemnity. The Bank will issue duplicate draft (drawn on the Bank) to the customer within a fortnight from the receipt of such request.
- For delay beyond the stipulated period, the Bank will compensate the customer at the rate applicable for fixed deposit of corresponding maturity.
- Such compensation would be paid at the rate applicable for fixed deposit for the number of days over and above the stipulated period.
- This would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third party endorsements.

15. Credit Cards

- Where it is established that the Bank had issued a credit card without consent of the recipient, the Bank would not only reverse the charges immediately but also pay compensation without demur to the recipient amounting to twice the value of charges reversed in this regard. Charges will include only those charges that are levied to customer even when no transactions have been done on the card and such charges have been actually recovered from the customer
- Transactions reported as erroneous by customers in respect of credit card operations, which require specific reference to a merchant establishment will be handed as per chargeback rules laid down by VISA/ MasterCard International. The bank will provide explanation and, if necessary, documentary evidence to the customer within a maximum period of 60 days, provided the dispute/protest is raised within 60 days of transaction date and the required charges for locating the charge slip are paid.

16. Mis-selling of 3rd party products

In the event the Bank receives a complaint from customer alleging mis-sell of third party products by Bank or having engaged in improper conduct or having acted in violation of the Code adopted by the Bank, it shall take appropriate steps to investigate the complaint. If the Bank identifies case of mis-selling by its staff it will initiate disciplinary action based on severity of the issue and compensate customer suitably.

17. Award of Compensation

- The compensation shall be paid by replicating the effect obtained through back-valuation of the affected transaction.
- The compensation as per this Policy is payable to a customer only in those cases where any act of omission or commission is directly attributable to the Bank.
- No claim would be considered, under any circumstance, based on qualitative aspects like reputation damages, loss of image in the society, loss of business, loss of income, etc.
- The amount of compensation is restricted to the actual financial loss of the customer arising out of the amount in the books of the Bank only and in any case, to the maximum limits prescribed for the various services given above.
- In case the Bank is liable to pay any compensation in accordance with the Policy, the same would be paid to the complainant within 7 working days from the completion of the investigation.

18. Force Majeure

The Bank shall not be liable to compensate customers for delayed credit/non-availability of any service, if some unforeseen event (including but not limited to civil commotion, sabotage, accident, fire, natural disasters or other “Acts of God”, war, damage to the Bank’s facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation etc beyond the control of the bank which may prevent it from performing its obligations within specified service delivery parameters.

19. Customers' responsibility

- 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.
- Customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/her. Bank will also not be responsible for the losses arising out of misuse of lost PIN, compromise of passwords or confidential information, until the time the Bank has been notified of such loss/compromise and has taken steps to prevent its misuse.

20. Disclaimer clause

- Notwithstanding anything contained here above, the Bank shall not pay any compensation in the following cases:-
 - i. Dishonor of at par payment agreement with other banks, due to non- funding and security compliance.
 - ii. Delays 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.
 - iii. Where the issues are sub-judice and pending before Courts, Ombudsman, arbitrator , Government and matter put on hold due to stay.
 - v. Credit Card transactions disputed by customers will be handled as per Chargeback rules laid down by VISA/MasterCard International/Rupay (NPCI). The Bank will provide explanation and, if necessary, documentary evidence to the customer within a maximum period of 120 days

21. 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. However, the Bank shall endeavour to review the Policy at annual intervals.

Last review period: January, 2019