

CUSTOMER PROTECTION POLICY-GUIDELINES FOR CUSTOMERS

1. Introduction

Central Bank of India provides various electronic Banking services via its online & digital products. With the increased thrust on customer protection and considering the recent surge in customer grievances relating to unauthorised transactions resulting in debits to their accounts/ cards, the criteria for determining the customer liability are given in this policy guidelines.

2. Customer Protection Policy Scope & Applicability

This Policy applies to all users of Bank's online & digital products. This Policy covers broadly two categories of transactions:

2.1 Remote/ online payment transactions (transactions that do not require physical payment instruments to be presented at the point of transactions e.g. internet banking, mobile banking, card not present (CNP) transactions), Pre-paid Payment Instruments (PPI), and

2.2 Face-to-face/ proximity payment transactions (transactions which require the physical payment instrument such as a card or mobile phone to be present at the point of transaction e.g. ATM, POS, etc.)

3. Policy Statement

The Bank strives for the preservation of the Confidentiality, Integrity and Availability of customer information by:

3.1 Setting up, maintaining, continuously monitoring and improving an effective management of customer data.

3.2 Creating security consciousness among customer that permeates the Bank and its engagements with business partners.

4. RBI Guidelines

RBI vide circular RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated 6-July-2017 has published a circular on **Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions.**

Accordingly, systems and procedures have been designed to make customers feel safe about carrying out electronic banking transactions. To achieve this, bank has put in place:

(i) Robust and dynamic fraud detection and prevention mechanism;

(iii) Mechanism to assess the risks resulting from unauthorised transactions and measure the liabilities arising out of such events;

(iv) Appropriate measures to mitigate the risks and protect themselves against the liabilities arising therefrom; and

(v) Advising customers on how to protect themselves from electronic banking and payments related fraud.

5. Reporting of unauthorised transactions by customers to bank

It is mandatory for the customers to 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. The customers are 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, bank will provide customers with 24x7 access through multiple channels (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. Bank shall also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts and the customers should not be required to search for a web page or an e-mail address to notify the objection, if any. 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. The bank will not offer facility of electronic transactions to customers who do not provide mobile numbers to the bank.

6. Limited Liability of a Customer in the account

(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 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/she has shared the payment credentials, the customer will bear the entire loss until he/she 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 Type of Account	Maximum liability (₹)
• BSBD Accounts	5,000.00
• All other SB accounts • Pre-paid Payment Instruments and Gift Cards • Current/ Cash Credit/ Overdraft Accounts of MSMEs • 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 • Credit cards with limit up to Rs.5 lakh	10,000.00
• All other Current/ Cash Credit/ Overdraft Accounts • Credit cards with limit above Rs.5 lakh	25,000.00

Further, if the delay in reporting is beyond seven working days, the customer liability shall be limited to the transaction value or the amount mentioned in Table 2, whichever is lower.

Table 2

Maximum Liability of a Customer under Type of Account	Maximum liability (₹)
• BSBD Accounts	10,000.00
• All other SB accounts • Pre-paid Payment Instruments and Gift Cards • Current/ Cash Credit/ Overdraft Accounts of MSMEs • Current Accounts/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365	20,000.00

days preceding the incidence of fraud)/ limit up to Rs.25 lakh • Credit cards with limit up to Rs.5 lakh	
• All other Current/ Cash Credit/ Overdraft Accounts • Credit cards with limit above Rs.5 lakh	50,000.00

Overall liability of the customer in third party breaches, as detailed above, where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarised in the Table 3:

Table 3 :

Summary of Customer's Liability Time taken to report the fraudulent transaction from the date of receiving the communication	Customer's liability (₹)
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	The transaction value or the amount mentioned in Table 2, whichever is lower

The number of working days mentioned in Table 3 shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

7. Reversal Timeline for Zero Liability/ Limited Liability of customer

The bank will provide shadow reversal of the amount to be refunded to the customer's account within 10 working days from the date of such complaint by the customer.

8. Procedure for complaints of suspected Fraudulent Transactions

- The card holder will approach his home branch with his complaint. In case card holder is away from home branch /station, and he is unable to inform branch in writing, then he may submit application to the nearest branch of our bank and intimate home branch by quickest mode of communication including mail. The Non home branch should immediately lodge a help desk request and forward the

letter/complaint to home branch immediately by mail and convey over phone also.

- The Branch manager/ Branch officials will accept the written complaint from the card holder, **verify that the card is with the card holder at the time of lodging complaint.**

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