

Customer Compensation Policy

Introduction

The Compensation Policy (the Policy) of the Bank is a reflection of the Bank's on-going efforts to provide better service to our customers and set higher standards for performance. The Policy is based on principles of transparency and fairness in the treatment of customers.

The objective of the Policy is to establish a system where the Bank compensates the customer for any financial loss the customer might have incurred due to deficiency in service on the part of the Bank or any act of omission or commission directly attributable to the Bank.

This policy document covers the following aspects:

1. Timelines for payment of compensation amount
2. Erroneous/Unauthorised debiting of accounts or unauthorised transactions reported by customers
3. NACH direct debits/other debits instruction to accounts
4. Credit Cards issued without customer's consent
5. Compensation payable on account of delays in collection of Foreign currency cheques, bills or payment of interest of delayed credit
6. Compensation payable on interest for delayed collection of cheques or payment of cheques after stop payment instructions
7. Cheque/loss of instrument in Transit/in clearing process or at paying bank's branch
8. Payment of interest for delay in issue of duplicate draft
9. Reversal of Erroneous/unauthorized/fraudulent or other transactions
10. Violation of the code of Bank's commitment to the customers by Bank's staff
11. Delay in release of Securities/Documents/Title deeds
12. Delay in credits and/or return of transactions
13. Mis-selling of third party products
14. Compensation Framework for Failed Transactions using Authorised Payment Systems
15. Force Majeure

The commitments under this policy are without prejudice to any right the Bank will have in defending its position before any forum duly constituted to adjudicate banker-customer disputes.

The compensation amount would be approved as per the Board approved Policy on Delegation of Financial Power.

1. Timelines for payment of compensation amount

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.

2. Erroneous/Unauthorised debiting of accounts or unauthorised transactions reported by customers

a. Debit by the Bank

If the Bank has raised an erroneous/unauthorised direct debit to an account, upon being informed of the erroneous/unauthorised debit, the entry will be reversed, after due verification. In the event, the unauthorized/erroneous debit has resulted in a financial loss for 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, charges levied for balance falling below minimum balance requirement, 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 the financial loss after taking into consideration all relevant factors.

Erroneous/unauthorised transaction reported by customers in respect of credit card operations, which require reference to a merchant establishment, will be handled as per rules laid down by card association. Currently the chargeback investigation on account of chargeback disputes range between 45 to 90 days.

In case verification of the entry reported to be erroneous/unauthorised by the customer does not involve a third party, the Bank will endeavour to complete the process of verification within a maximum period 7 working days from the date of reporting of erroneous/unauthorised debit. In case, the verification involves a third party or verifications are 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 erroneous/unauthorised 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.

Further, this provision, would not apply to recovery of legitimate bank charges by debit to the account, which is as per terms and conditions accepted by the customer and executed only after the laid down process has been followed by the Bank.

b. Reported by Customers

The Bank has formulated a Board approved Customer Relations Policy for unauthorised electronic Banking transactions reported by customers. The policy covers in detail, the liability of a customer in different scenarios.

The compensation to the customer in the matter related to unauthorized electronic banking transactions will be guided by the aspects of Customer Relation Policy.

For more details, please refer to Customer Relation Policy:

link: <https://www.icicibank.com/customer-service-policies.page?>

3. NACH direct debits/other debits instruction to accounts

The Bank undertakes to carry out direct debit instructions of customers in time. In the event the Bank fails to meet such commitments, the customer will be compensated to the extent of direct financial loss or payment of additional interest to the Bank in a loan account or any charges levied for reason of balance falling below the minimum balance requirement or any charges levied for return of cheques due to shortfall in balance.

Electronic payments such as RTGS//NEFT/IMPS instructions will be governed by the applicable terms and conditions communicated to the customer.

The Bank would debit the customer's account with applicable service charge as per the tariff schedule/schedule of charges notified by the Bank.

In the event the Bank levies any charge that is not as per such tariff schedule/schedule of charges, upon being informed of the erroneous charge by the customer, the Bank will reverse the charges subject to scrutiny of agreed terms and conditions. In such cases, the Bank shall compensate the customer for any direct financial loss by way of loss of savings account interest on account of reduction in the daily closing 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 minimum balance requirement or any charges levied for return of cheques due to shortfall in balance.

4. Credit Cards issued without customer's consent

Where it is established that the Bank had issued a credit card without written 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 as per regulatory guidelines. 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 handled 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 90 days.

5. Compensation payable on account of delays in collection of Foreign currency cheques, bills or payment of interest of delayed credit

a) Collection of Foreign Currency Cheque:

The Bank would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries, as the Bank would not be able to ensure timely credit from overseas banks. It is the Bank's experience that time for collection of instruments drawn on banks in foreign countries differ from country to country and even within a country, from place to place. The time norms for return of instruments cleared provisionally also vary from country to country. However, the Bank will compensate the customer for undue delays in affording credit once proceeds are credited to the Nostro Account of the Bank with its correspondent. The Bank however, may consider upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past.

The compensation in such cases will be worked out as follows:

- a. Interest for the delay in crediting proceeds as indicated in the Cheque Collection Policy of the Bank.
- b. Compensation for any possible loss on account of adverse movement in foreign exchange buying rate of the Bank as applicable for the transaction.

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

Compensation will be paid as per Foreign Exchange Dealers Association of India (FEDAI) Rules 8th edition. As per rule 4.5, in case foreign inward remittance, Bank shall make payment or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of credit advice/nostro statement. In case of delay, the bank shall pay the beneficiary interest @ 2% above the savings account interest rate. The bank shall also pay compensation for adverse movement of exchange rate, if any, as per its compensation policy.

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

6. Compensation payable on interest for delayed collection of cheques or payment of cheques after stop payment instructions

a) Local Cheques: Compensation at savings bank interest rate shall be paid for the corresponding period of delay.

b) Outstation Cheques: As part of the Policy, the Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period specified in banks Cheque Collection Policy.

Interest for delayed collection shall be paid at the following rates:

S.No.	Scenario	Applicable Interest Rate
Cheque Deposited in Operative Account		
1	Drawn on State Capitals, Major Cities, and any other location	For a period of delay up to 14 days, Savings Bank rate of interest and for delay beyond 14 days, applicable term deposit rate of interest will be paid. Delay beyond 90 days - interest will be paid at the rate of 2% above the corresponding Term Deposit rate (applicable for period of delay. FD interest would be compensated from 1st day of delay)
S.No.	Scenario	Applicable Interest Rate
Cheque Deposited in Loan Account		
1	Any delay beyond regular collection	Where the delay is beyond the regular collection period (up to 90 days) interest will be paid at the rate applicable to the loan account for the respective period. Delay beyond 90 days – interest will be paid at the rate of 2% above the rate applicable to the loan account (Interest would be compensated from 1st day of delay).

Period of delay, for the purpose of payment of interest, will be calculated as the gap between the defined date of credit of cheque and the actual date of credit. Such interest shall be paid without any demand from customers in all types of accounts. The defined date of credit is typically defined at the time of collection of cheque for each channel. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection. It may be noted that the interest payment would be applicable only for instruments (drawn in INR) sent for collection within India where ICICI Bank has a branch or cheque is collected by correspondent bank. In case of any claims raised by the customer on account of delayed interest payments the bank would settle the claim within 90 days of receipt.

- c. Cash Management Services:** For customers availing Cash Management Services (CMS), collection of instruments is carried out as per the terms of the bilateral agreement between the bank and customers. Penalties, if any, will be payable as per the terms of the bilateral agreement.

d. Payment of Cheques after 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 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 daily closing balance applicable for payment of interest on savings bank deposit or payment of additional interest to 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.

7. Cheque/loss of instrument in Transit/in clearing process or at paying bank's branch

The Bank's Customer Compensation Policy for financial loss suffered by the customers due to loss of instrument after it has been handed over to the Bank for collection by the customer would also be as indicated in Cheque Collection Policy. For more details please refer to cheque collection policy: link: <https://www.icicibank.com/customer-service-policies.page?>

In the event a cheque or an instrument accepted for collection is lost in transit in the clearing process or at the paying bank's branch, the Bank shall immediately on coming to know of the loss, bring the same to the notice of the 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 cheques/instruments. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. This will be applicable only to instruments drawn in INR payable within India.

If the Bank loses the cheque, the Bank will bear the stop payment charges on customer producing relevant document. The compensation in such cases would be as follows:

- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified in the outstation cheque table of Cheque Clearing process mentioned above in clause 6.

- In addition, bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- The Bank would also compensate for any reasonable charges, the customer incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/institution that would charge a fee for issue of duplicate instrument.

8. 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 this stipulated period, the Bank will compensate customer at the rate of fixed deposit, applicable on the due date of expiry of the stipulated period. Such compensation shall be paid at the rate applicable for fixed deposits for the number of days over and above the stipulated period. This would be applicable only in cases where the request for duplicate draft drawn on the Bank is made by the purchaser and would not be applicable in the case of third party endorsements.

9. Reversal of Erroneous/unauthorized/fraudulent or other transactions

a. Digital Transaction - Internet and Mobile Banking (Vishing/Smishing/Phishing, etc.) transactions

Fraudulent debits arising out of Internet banking and Mobile banking are mainly categorised such as

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

In case of any fraud, if Bank is convinced that an irregularity/fraud has been committed by its staff towards any constituent, the Bank will at once acknowledge its liability and pay just claim. In cases where the Bank is at fault, Bank will compensate the customer without demur.

For cases where the Bank is not at fault, but the customer has either acted fraudulently or inadvertently compromised his Internet Banking security details (example: ID, passwords, date of birth, mother's maiden name etc.) or acted without reasonable care (which includes not taking steps to protect computers from hackers). Banks are not responsible for losses caused by a third party when customers have acted without reasonable care.

However, in exceptional circumstances Bank may compensate the customer for cases where the customer has not compromised any personal and confidential security parameters required to complete an Internet banking/iMobile transaction and based on deliberation of various facts such as:

- Justification given by the customer
- Immediate or delay in reporting by the customer based on SMS alert, account statement, mini statement, etc. received by the customer

b. Non Digital transaction

Bank needs to take into account the following, while deciding on customer compensation:

- (i) In case of any fraud, if Bank is convinced that an irregularity/fraud has been committed by its staff towards any constituent, Bank should at once acknowledge its liability and pay just the claim.
- (ii) In cases where neither the branch nor the customer is at fault, but the fault lies elsewhere in the system, Bank should compensate the customer as per the policy.

The following is laid down for all the fraud cases other than those pertaining to Internet Banking Frauds. Typically, these frauds are of the following types:

- Lottery
 - Job Rackets
 - Transfer of Funds towards emails received
- a. In case of any fraud, if Bank is convinced that an irregularity/fraud has been committed by its staff towards any constituent, the Bank will at once acknowledge its liability and pay just claim.
 - b. In cases where the Bank is at fault, Bank will compensate the customer without demur.

- c. In cases where neither the Bank nor the customer is at fault, but the fault lies elsewhere in the system, the Bank will compensate the customer up to a limit of ₹ 5,000. Such compensation would be paid only once in the lifetime of an account.

10. Violation of the code of Bank's commitment to the customers by Bank's staff

In the event of receipt of any complaint from the customer that the Bank's representative/courier or DSA/collection agency 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 is committed to investigate the matter and endeavour to communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, compensate the customer for financial loss, if any.

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

The original security documents of title should be returned to the borrower within 15 working days of repayment of all dues by the borrower, 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 customer at the rate of ₹ 100/- per week, subject to a maximum payment of ₹ 500/-. However, in case of Force Majeure events, the Bank at its own cost would endeavour to retrieve/recreate the title documents and no compensation would be paid in such cases.

12. Delay in credits and/or return of transactions

In the event of any delayed credit to beneficiaries' account, the destination bank would be held liable to pay compensation.

NEFT: In the event of any delay or loss on account of error, negligence or fraud on the part of an employee of the destination bank in the completion of funds transfer pursuant to receipt of payment instruction by the destination bank leading to delayed payment to the beneficiary, the destination bank shall pay compensation at current RBI LAF repo rate plus 2 per cent for the period of delay. In the event of delay in return of the funds transfer instruction for any reason whatsoever; the destination bank shall refund the amount together with interest at the current RBI LAF repo rate plus two per cent till the date of refund.

13. Mis-selling of third party products

In the event of Bank receiving of any complaint from the customer regarding mis-selling of the third party products by the Bank, or about having engaged in any improper conduct or about having acted in violation of any Code adopted by the Bank, the Bank shall take appropriate steps to investigate and to handle the complaint. In case lapses by the Bank employees are established, the Bank will compensate the customer suitably, based on the facts and circumstances of the case.

14. Compensation Framework for Failed Transactions using Authorised Payment Systems

The aspects of the compensation framework are outlined below:

a) Turn Around Time(TAT)

- The prescribed TAT is the outer limit for resolution of failed transactions
- Key Principles
 - If the transaction is a 'credit-push' funds transfer and the beneficiary account is not credited while the debit to originator has been effected, then credit is to be effected within the prescribed time period failing which penalty is payable to the beneficiary.
 - If there is delay in initiation of a transaction at the originator bank's end beyond the TAT, then penalty is payable to the originator.
 - T is the day of transaction and refers to the calendar date.
 - R is the day on which the reversal is concluded and the funds are received by the issuer / originator. Reversal should be effected at the issuer / originator end on the same day when the funds are received from the beneficiary end.

b) Failed Transactions

- A 'failed transaction' is a transaction which has not been fully completed due to any reason not attributable to the customer such as failure in communication links, non-availability of cash in 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.

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

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

Sr. No.	Description of the incident	Framework for auto-reversal and compensation	
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.
5	Aadhaar Enabled Payment System (including Aadhaar Pay)		
a	Account debited but transaction confirmation not received at merchant location.	Acquirer to initiate "Credit Adjustment" within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.
b	Account debited but beneficiary account not credited.		
6	Aadhaar Payment Bridge System (APBS)		
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
7	National Automated Clearing House (NACH)		
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹100/- per day if delay 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	Prepaid Payment Instruments (PPIs) - Cards / Wallets		
a	Off-Ux 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.		

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

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

15. Force Majeure

The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, accident, fire, natural disaster or other "Acts of God", war, damage to the Bank's facilities or of its correspondent bank(s), etc.) beyond the control of the Bank prevents it from performing its obligations within the specified service delivery parameters.

Last Reviewed Date: 31st January 2022.