

Customer Protection Policy for Electronic Banking transactions**Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions:**

This Customer Protection Policy of the Bank defines limiting the liability of the customer in case of unauthorized electronic banking transactions

This policy throws light on customer protection in case of unauthorized electronic banking transactions and strengthening of in-built controls to prevent such unauthorized transactions.

Broadly, the electronic banking transactions can be divided into two categories:

- (i) 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
- (ii) 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.)

The systems and procedures available in the Bank on customer protection in line with prescribed RBI guidelines are mentioned below:

- (i) The Bank has put in place appropriate systems and procedures to ensure safety and security of electronic banking transactions carried out by customers;
- (ii) The Bank has ensured robust and dynamic fraud detection and prevention mechanism;
- (iii) The Bank has put in place necessary mechanism to assess the risks resulting from unauthorized transactions and measure the liabilities arising out of such events;
- (iv) The Bank has introduced appropriate measures to mitigate the risks or liabilities arising from such risks;
- (v) The Bank engages in ongoing communication to advise customers on how to protect themselves from electronic banking and payments related fraud through various modes of communication like SMS, emails, through the Bank's website, etc.

Reporting of unauthorized transactions by customers to banks

The Bank's customers are mandatorily required to register for SMS alerts and, wherever available, must register for email alerts, for electronic banking transactions. The SMS alerts shall mandatorily be sent to the customers, while email alerts may be sent, wherever registered. After the occurrence of such transaction, the customers must notify the Bank of any unauthorized electronic banking transaction at the earliest. 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 is providing customers with 24x7 access through multiple channels (at a minimum, via website, phone banking, SMS, email, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorized transactions that have taken place and/ or loss or theft of payment instrument such as card, etc. The Bank would enable incorporating the reply option to SMS and email alerts sent to customers. The loss/ fraud reporting system of the Bank also ensures that immediate response (including auto response) is sent to the customers acknowledging the complaint along with a registered complaint number.

The communication systems used by the Bank to send alerts and receive their responses thereto is recording the time and date of delivery of the message and receipt of customer's

response, if any, to him/her This is important in determining the extent of a customer's liability. The Bank may not offer facility of electronic transactions, other than ATM cash withdrawals, to customers who do not provide mobile numbers to the Bank. On receipt of report of an unauthorized transaction from the customer, the Bank takes steps to prevent further unauthorized transactions in the account.

Limited Liability of a Customer

(a) Zero Liability of a Customer

A customer's entitlement to zero liability shall arise where the unauthorized 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 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: (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 unauthorized transaction to the Bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the Bank.

(ii) 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 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:

Type of Account	Maximum Liability (₹)
<ul style="list-style-type: none"> • BSBD Accounts 	5,000
<ul style="list-style-type: none"> • All Other SB accounts • Pre-paid Payment Instruments and Gift Cards • Current/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs. 25 lakh • Credits cards with limit up to Rs. 5 lakh 	10,000
<ul style="list-style-type: none"> • All other Current/ Cash Credit/ Overdraft Accounts • Credit Cards with limit above Rs. 5 lakh 	25,000

Further, if the delay in reporting is beyond **seven working days**, the customer liability shall be determined as per the Board's approved compensation policy for customers. The Bank shall provide the details of this policy in regard to customers' liability formulated in

pursuance of these directions at the time of opening the accounts. The Bank will display this approved policy in the Bank’s website for wider dissemination. The existing customers will also be individually informed about the Bank’s policy.

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 summarized in the Table 2

Table 2: 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 “Maximum Liability of a Customer”, whichever is lower
Beyond 7 working days	As per Bank’s Board approved compensation policy for the customer

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.

Reversal Timeline for Zero Liability/ Limited Liability of customer

On being notified by the customer, the Bank shall credit (shadow reversal) 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 claim, if any). The Bank may also at its discretion decide to waive off any customer liability in case of unauthorized electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorized transaction.

Further, the Bank shall ensure that:

- (i) a complaint is resolved and liability of the customer, if any, established within such time, as may be specified in the Board approved policy, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per the above mentioned provisions;
- (ii) where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed above is paid to the customer; and
- (iii) 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.

Customer Protection

Taking into account the risks arising out of unauthorized debits to customer accounts owing to customer negligence/ Bank negligence/ banking system frauds/ third party breaches, the Bank has defined the rights and obligations of customers in case of unauthorized transactions in specified scenarios. The Board approved customer relation policy of the Bank covers aspects of customer protection, including the mechanism of creating customer awareness on the risks and responsibilities involved in electronic banking transactions and customer liability in such cases of unauthorized electronic banking transactions. The Bank’s policy is

transparent, non-discriminatory and stipulates the mechanism of compensating the customers for the unauthorized electronic banking transactions and also prescribe the timelines for effecting such compensation. The policy is displayed on the Bank's website along with the details of grievance handling/ escalation procedures are mentioned below. For more details on our Grievance Redressal Policy, please visit our website www.dcbbank.com.

- **Customer Care Centre:** Customers shall have 24 hours telephonic access to Customer Care Centre where their complaints can be resolved by our Customer Care Executives.
- **E-mail:** Customers can e-mail their complaints to customercare@dcbbank.com
- **Website:** Customers can also register their complaints at our website www.dcbbank.com by filling up the Complaints Form.
- **Letters:** Customers can write to the Bank at DCB Bank Limited., P.O.Box No.7643, Malad (West), Mumbai 400064
- **Branch:** Customers can approach any branch and speak to Branch Operations Manager (BOM) or Relationship Manager (RM) for resolution of their issues. Corporate Banking Customers can speak to their respective RMs regarding their complaints.
- **Internet Banking :** Customers can write to the online Accounts Manager, by logging in to their accounts through Internet Banking

Burden of Proof

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

Reporting and Monitoring Requirements

The Bank has a suitable mechanism and structure for the reporting of the customer liability cases to the Customer Service Committee of the Board. The reporting shall, *inter alia*, include volume/ number of cases and the aggregate value involved and distribution across various categories of cases viz card present transactions, card not present transactions, internet banking, mobile banking, ATM transactions, etc. The Standing Committee on Customer Service in the Bank will periodically review the unauthorized electronic banking transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redressal mechanism and take appropriate measures to improve the systems and procedures. The minutes of such review will be shared with the Customer Service Committee of the Board for noting. All such transactions shall be reviewed by the Bank's internal auditors.