



**FIRSTRAND**  
Bank

## **COMPENSATION POLICY**

We offer high levels of service to our customers. In the event, for some reason beyond our control or inadvertently, we are unable to meet the service levels committed by us in our dealings with our customers, this Compensation policy will be applicable.

This policy of the Bank is a reflection of our 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 this policy is to establish a system whereby the bank compensates the customer for any direct 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.

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.

This Policy is designed to cover areas relating to Unauthorized debiting of accounts, Payment of interest to customers for delayed collection of instruments, Payment of cheques after acknowledgement of stop payment instructions, Remittances within India, Foreign exchange services, Lending, etc, as explained in the following paragraphs.



**FIRSTRAND**  
Bank

## **1. Unauthorised / Erroneous Debit**

If the bank has raised an unauthorized/erroneous direct debit to an account, the entry will be reversed immediately on being informed of the erroneous debit, after verifying the position.

In case of any fraud, if the bank is convinced that an irregularity/fraud has been committed by its staff towards any constituent, bank shall at once acknowledge its liability and pay the just claim.

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, 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.

The customer should approach the bank within a maximum period of six months from the date of erroneous debit.

In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank shall arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of erroneous debit. 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 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.



## **FIRSTRAND** Bank

Further, this provision however, 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 done only after the laid down process has been followed by the Bank.

### **2. ECS direct debits/other debits to accounts**

The bank will undertake to carry out direct debit/ ECS debit instructions of customers in time. Electronic payments such as RTGS/EFT/NEFT instructions will be governed by the applicable terms and conditions communicated to the customer.

In the event the bank fails to meet such commitments 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 (including loss of interest on savings account, dishonor of instruments or any other impact of shortfall in account balance due to the error).

The bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the bank. 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 agreed terms and conditions. Any consequential financial loss to the customer will also be compensated.

### **3. Payment of Cheques after Stop Payment Instructions**

In case bank receives a stop payment instruction from the customer well in time for the bank to give effect to such instruction and the bank erroneously pays out the amount on a stopped cheque/payment instruction the bank shall reverse the transaction and give value-dated credit to protect the interest of the customer within 2 working days of the customer intimating the transaction to the Bank.



## **FIRSTRAND** Bank

Any consequential direct financial loss to the customer will be compensated in line with principles outlined in paragraphs 1 & 2 above.

#### **4. Delay in Crediting Proceeds of Foreign Currency Cheques**

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. Bank however, would consider upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past. 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. Such compensation will be given for delays beyond one week from the date of credit to Nostro Account/ due date after taking into account normal cooling period stipulated. The compensation in such cases will be worked out as follows:

- a) Interest for the delay in crediting proceeds as indicated in the collection policy of the bank.
- b) Compensation for any possible loss on account of adverse movement in foreign exchange rate.

#### **5. Remittances in India**

The compensation on account of delays in collection of instruments would be as indicated in the bank's collection policy as available on the Bank's website



**FIRSTRAND**  
Bank

## **6. Cheques lost in transit**

In the event a cheque or an instrument accepted for collection is lost in transit or in clearing process or at the paying Bank's Branch, the Bank would immediately on coming to know of the loss send a letter to the account holder so that the account holder can inform the drawer to record stop payment and also take care that other cheques issued by him/her are not dishonored due to non credit of the amount of the lost cheques/instrument.

In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (as defined in the Cheque Collection Policy) interest will be paid for the period exceeding the stipulated collection period at the rates specified therein.

The Bank would compensate the account holder for any direct and reasonable charges the customer incurs in getting duplicate cheques / instruments, upon production of relevant documentary evidence.

## **7. 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, strike or other labour disturbances, accident, fires, 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 prevents it from performing its obligations within the specified service delivery parameters.



**FIRSTRAND**  
Bank

**Note:**

*a) This policy covers compensation towards any direct financial loss incurred by the customer due to omissions and errors as mentioned above. The Bank shall not be liable for any loss of profits, or any indirect or consequential loss, damages, costs or expenses.*

*b) Acceptance of the compensation under this policy would imply a full and final settlement of all issues arising out of grievances for which compensation is being claimed/paid.*

\*\*\*\*\*