

Janata sahakari Bank Ltd., Pune
(Multi State scheduled Bank)
Compensation Policy





Introduction -

Purpose - Purpose to make a compensation policy -

'Code of Bank's commitment to customer ' are made by BCSBI; are binding to us as we are member BCSBI. As per this code of commitment; is expected to make compensation policy by Banks. The compensation should be paid immediately to the customers and which can be evaluated by bank as per this code. This compensation should be paid by bank itself without collecting any application/request by the customer. A definite policy needs to be decided for how to proceed exactly at Branch level in this regard.

In case of financial loss to the customer, due to lack of Customer Service or staff mistakes, it is important for the bank to pay the customer immediately without any delay for not to change the interest rate applicable as per rules and approvals for deposit and loan account, wrongly debited charges to account, paying less interest, paying late interest, Due to a mistake made while posting/passing of delivery instruction slip submitted D-Mat account holder & customer is liable to pay Auction Penalty.

Scope -

In this policy has included following damages need to be compensated by Branch to customers-

1. Amount to be debited to customer's account -

If wrong amount is debited to customer's account due to Bank's mistake & it is noticed by bank; it should be immediately assured and corrected by Bank. Due to wrongly debited amount, minimum balance charges are applicable and debited to the account, it should be immediately corrected. The period until such mistake is corrected, Interest should be paid on this amount at prevailing savings deposit interest rate

2.Payment of cheque with notice of stop payment -

If the cheque which is already instructed to stop by customer and it is recorded with the bank; but it is paid by bank, then bank should immediately compensate the said amount.

3.Foreign Currency Exchange Service -

Our bank will do its utmost to recover the cheques paid by foreign banks. As the different banks of various countries follows different banking procedures since there is no uniformity. Hence our bank cannot guaranty for crediting the amount of cheque. If this type of cheque should be sent for clearing within 24 hrs. of depositing by completing the necessary procedure. If there is a delay in sending cheque for clearing, interest should be paid as per savings account interest rate for delayed period.

4. Regarding interest to be paid in case of delay in clearing of Outward Bills Clearing cheques

5. Cheque presented by the customer but lost by bank-

Cheque presented by customer but lost by bank; it should be immediately informed to the concerned customer. Stop payment instruction for the said cheque should be collected with the help of concerned customer. Also bank should support the customer to get duplicate cheque. The bank will be required to pay compensation as follows-

- (a) If there is a delay in informing to customer from bank's side about the lost cheque, and if there is a delay up to 14 days from scheduled time, interest should be paid as per savings account interest rate for delayed period.
- (b) Apart from that, interest should be paid for maximum 15 days of the cheque amount in case for the period of getting duplicate cheque;
- (c) Beside of that bank should also pay the required expenses incurred by the customer to get the duplicate cheque.

6. In case of delay in issuing duplicate draft to customer

Though the customer has fulfilled all requirements; there is delay for more than 30 days, in issuing duplicate draft, interest should be paid as per deposit interest rate for delayed period.

7. In case of delay in depositing the customer's pension

Branch should make immediate accounting of list customer's pension or pension arrears. If the list has been received at the Branch closing time; it should be accounted on next working day. If the branch do not made accounting on pension list; penalty interest should be paid to the customer for a period exceeding the prescribed time at an interest rate of 2% higher than the bank rate.

8. In case of delay in crediting customer's salary/remittances from other institutions

Branch should pay customer's salary/ remittance from other institutions of the amount of clearing cheque on same day or if there is closing time of branch; it should paid on next working day in the customer's concerned account

Branch should make immediate accounting (transfer entry), if the presented cheque is of our bank. If there is no sufficient balance (in case of cheque deposited in clearing but amount not credited, clearing of some other cheques etc.) in account for payment of the said cheque; necessary action should be taken as the amount credited to the account and considering customer's given instruction. In this case; a written instruction must be taken on record. If there is a delay from Bank's side; interest should be paid as per saving deposit interest rate for delayed period.

9. In case of delay than prescribed period for remittances NEFT

If the bank does not credit NEFT amount in the account of the concerned customer even after receiving the said amount, Bank should pay interest by calculating Repo Rate + 2% to customer. Bank should pay by itself such penalty for the delayed period; even though the customer does not ask for it.

10. In case of loss due to Home Savings Collection agent or representative appointed by the bank

Bank should take quick intervention and thorough inquiry should be carried out, if the customer lodge the complaint of suffering any loss due to Home Savings Collection agent or representative appointed by the bank. Such proceeding should be completed within 7 days and should be informed in written manner to concerned customer. A compensation should be paid to the sufferer by recovering from concerned agent/ representative.

11. In case of delay in returning of loan documents to the customer by bank's side-

Bank should return customer's mortgaged loan documents, title deed etc. within 15 days after full repayment of his loan. Bank is completely responsible if the documents should not be returned in prescribed period and customer suffers any loss. Accordingly documents not returned within 15 days; penalty should be paid for Rs.100/ day maximum Rs.1000/- as a compensation amount. Beside of that bank should also pay total expenses incurred by the customer to get the new/duplicate documents. Penalty should be paid for Rs.100/ day, maximum Rs.1000/- as a separate compensation for the duration of the proceedings.

11. In case of delay in payment of interest on term deposit to the account holder-

It is necessary to pay the interest on term deposit within prescribed period to concerned account holder. Interest should be paid on next working day if there is a holiday on the day of payment of interest. If there is a delay from Bank's side; interest should be calculated on term deposit amount and paid as per deposit interest rate for delayed period.

If the interest on term deposit should be credited to depositor's another bank account, amount should be paid immediately on the day of payment of interest via NEFT/RTGS/ECS/Pay Order or any other instruction given by the depositor. Necessary record should be kept in the branch. If there is a delay by bank's side in paying interest amount via ECS/Pay Order or any other instruction of customer; amount should be paid for late payment.

12. Deficiency in ATM service -

Bank should reverse the amount to customer's account within 5 days after receiving an application for the amount which is debited to account of but not get due to deficiency in ATM machine. If there is a delay from Bank's side for reversal the amount; interest should be paid for Rs.100/-per day for delayed period. It is necessary to submit an application form within 60 days from the date of occurrence by customer and only those customer are able getting interest.

13. Wrong posting/passing of delivery instruction slip -

It is necessary to submit delivery instruction slip by D-mat account holder to NSDL department within prescribed period after selling their shares from their account to transfer these shares to the broker's account. After receiving delivery instruction slip their posting or passing is done by NSDL department. Accordingly, the shares are transferred to the broker's account. Shares cannot be transferred if something went wrong while posting the slip and it is also passed by the concerned officer. Account holder has to pay Auction Penalty (Maximum 20% of the difference in share price) for that. Bank should pay the penalty, if there is any type of mistake done by bank's side as per the amount due directly to the account holder.

14. Things beyond the control of the bank -

If the customer has suffers any loss occurs due to things beyond the control of the bank; The bank will not be held responsible in any way. It includes War, Civil disobedience, Strike, Disputes arising among the workers, Accident, Fire, Natural disasters, or "Act of God"...etc. In case of any loss to the customer because of bank's lost his control due to unusual circumstances on availability and working of banking machinery under normal conditions, means of communication/ all types of transportation in such a case, the bank will not pay the compensation as mentioned above.

15. Informing the details to Head Office regarding the compensation paid to the customer -

As mentioned above If any compensation paid to customer at Branch it should necessary to send detailed information along with branch recommendations immediately to administration / HR department. Admin department will consider and instructed to branch as per details received from branch, branch recommendations, Staff's mistake...etc.

16. Right to make changes / amendments to the policy -

The Bank reserves the right to make changes / amendments to the compensation policy as and when required and the Bank may change it without any prior notice.

17. Right to defend Bank before any forum -

If customer is unsatisfied with action taken by the branches or action not according to the policy of compensation he can raised his issue to HOD-Customer care department. Customer can appeal to chief executive officer about the decision given by HOD-Customer care department. If customer disagree with the decision of chief executive officer he can appeal to office of banking ombudsman.

18. Regarding fixing of limiting liability of a customer in unauthorized electronic banking transactions -

The bank has a policy of compensation in case of obligation of the bank, while conducting technology based financial transactions and is available on all branches and on the bank's website.

Review

At a minimum, this policy will be reviewed annually.

Considering the Risks :

Considering the Compensation Policy; there is an **Operational Risk** for losses incurred by inadequate/erroneous internal processes and systems while providing various services. Department have to face **Compliance/Regulatory Risk** while completing the such activities. There is preferably noteworthy risk is **Financial Risk** which may result in financial loss to the bank.

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