



بنك الإمارات دبي الوطني  
Emirates NBD

# Customer Compensation Policy

**Emirates NBD P.J.S.C (INDIA)**

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## Table of Contents

1.	INTRODUCTION.....	3
2.	OBJECTIVE .....	3
3.	FRAMEWORK .....	3
4.	UNAUTHORISED / ERRONEOUS DEBIT BY THE BANK .....	3
5.	UNAUTHORISED ELECTRONIC TRANSACTIONS REPORTED BY CUSTOMERS.....	4
6.	ECS DIRECT DEBITS/STANDING INSTRUCTIONS/OTHER DEBITS TO ACCOUNTS .....	4
7.	PAYMENT OF CHEQUES AFTER STOP PAYMENT INSTRUCTIONS .....	4
8.	PAYMENT OF INTEREST FOR DELAYED COLLECTION OF LOCAL / OUTSTATION CHEQUES.....	4
9.	COMPENSATION FOR LOSS OF INSTRUMENT IN TRANSIT .....	5
10.	FUNDS TRANSFER USING NEFT/RTGS/IMPS.....	5
11.	HARMONISATION OF TURNAROUND TIME AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORISED PAYMENT SYSTEMS. ....	5
12.	FOREIGN EXCHANGE SERVICES .....	6
13.	LENDERS LIABILITY - COMMITMENTS TO BORROWERS .....	6
14.	DELAY IN UPDATION/RECTIFICATION OF CREDIT INFORMATION SUBMITTED TO CREDIT INFORMATION COMPANIES (CIC) BY THE BANK .....	7
15.	FORCE MAJEURE .....	7

## **1. INTRODUCTION**

Technological progress in payment and settlement systems and the qualitative changes in operational systems and processes that have been undertaken by various players in the market have enabled market forces of competition to come into play to improve efficiencies in providing better service to the users of the system. It will be Emirates NBD Bank India's endeavour to offer services to its customers with best possible utilization of its technology infrastructure. Withdrawal of the Reserve Bank of India instructions to banks on time frame for collection of outstation cheques, payment of interest on delayed collection of outstation cheques/instruments, with effect from 1st November 2004, had offered bank further opportunities to increase its efficiency for better performance. This Compensation Policy of the Bank is therefore, designed to cover areas relating to unauthorized debiting of account, payment of interest to customers for delay in collection of cheques/instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, foreign exchange services, lending, delay in updation/ rectification of credit information submitted to Credit Information Companies etc. The policy is based on principles of transparency and fairness in the treatment of customers.

## **2. OBJECTIVE**

The objective of this policy is to establish a system whereby Emirates NBD Bank India compensates the customer for 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. By ensuring that the customer is compensated without having to ask for it, the bank expects instances when the customer has to approach Banking Ombudsman or any other Forum for redressal to come down significantly.

## **3. FRAMEWORK**

It is reiterated that the policy covers only compensation for financial losses which customers might incur due to deficiency in the services offered by the bank which can be measured directly and as such 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.

## **4. UNAUTHORISED / ERRONEOUS DEBIT BY THE BANK**

If Emirates NBD Bank India 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 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 after taking into consideration all relevant factors. Indirect financial losses caused due to error from the customers are out of the purview of this policy and no compensation shall be awarded for such losses.

In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank will endeavour 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 or where verifications are to be done at overseas centres, the bank shall strive to complete the verification process within a maximum period of one month from the date of reporting of unauthorised/erroneous transaction by the customer.

## **5. UNAUTHORISED ELECTRONIC TRANSACTIONS REPORTED BY CUSTOMERS**

As per the circular no. DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 issued by the Reserve Bank of India, all Banks are required to formulate a Board Approved Customer Protection Policy for unauthorised electronic Banking transactions reported by customers.

The policy is inter alia, required to cover in detail, the liability of customers in different scenarios depending on whether compromise was at the Bank's end, customer's end or elsewhere in the system. For all such transactions, the Bank would be governed by their Board Approved Customer Protection Policy or any other equivalent policy.

## **6. ECS DIRECT DEBITS/STANDING INSTRUCTIONS/OTHER DEBITS TO ACCOUNTS**

Emirates NBD Bank India will undertake to carry out direct debit/ ECS debit/Standing instructions of customers in time. 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.

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.

## **7. 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. Any consequential financial loss to the customer will be compensated as provided under para 4 above. Such debits will be reversed within 2 working days of the customer intimating the transaction to the bank.

## **8. PAYMENT OF INTEREST FOR DELAYED COLLECTION OF LOCAL / OUTSTATION CHEQUES**

As part of the compensation policy of the bank, Emirates NBD Bank India 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. Such interest shall be paid without any demand from customers in all types of accounts. 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. Interest for delayed collection shall be paid at the following rates: a) Savings Bank rate for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques. b) Where the delay is beyond 14 days interest will be paid at the rate applicable for term deposit for the corresponding respective period or Saving Bank rate, whichever is higher. c) In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the corresponding Term Deposit rate. d) In the event the proceeds of cheque under collection was to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, interest will be paid at the rate of 2% above the rate applicable to the loan account.

Keeping in view the global practices due to technological progress, payment and settlement systems and the qualitative changes in operational systems and processes single set of rules may not be appropriate and RBI has issued guidelines where interest payment for delayed collection have been left to the banks discretion.

## 9. COMPENSATION FOR LOSS OF INSTRUMENT IN TRANSIT

The bank's 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 Collection Policy. The same is extracted below:

- Cheques / Instruments lost in transit / in clearing process or at paying bank's branch: In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, Emirates NBD Bank India shall immediately on coming to know of the loss, bring the same to the notice of the accountholder so that the accountholder 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. In line with the compensation policy of the bank the bank will compensate the accountholder in respect of instruments lost in transit in the following way:
  - 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 above.
  - 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 the customer for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/ institution who would charge a fee for issue of duplicate instrument.

## 10. FUNDS TRANSFER USING NEFT/RTGS/IMPS

In case of delay in crediting the beneficiary customer's account or in returning the uncredited amount to the remitter in case of NEFT/RTGS/IMPS, Emirates NBD Bank India would compensate the customer. Under the extant guidelines, the Bank would pay penal interest at the current RBI LAF Repo Rate plus two percent for the period of delay / till the date of refund as the case may be to the affected customers suo moto, without waiting for claim from customers.

## 11. HARMONISATION OF TURNAROUND TIME AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORISED PAYMENT SYSTEMS.

Sl. No	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
1	<b>Automated Teller Machines (ATMs) including Micro-ATMs</b>		
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	<b>Card Transaction</b>		

A	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.
B	Card Not Present (CNP) (ecommerce)  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	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.	

T = Day of Transaction

## 12. FOREIGN EXCHANGE SERVICES

Emirates NBD Bank India 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, may 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:

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

## 13. LENDERS LIABILITY - COMMITMENTS TO BORROWERS

Emirates NBD Bank India has adopted the principles of lenders of liability. In terms of the guidelines for lenders liability, and the Code of Bank's Commitment to customers adopted by the bank, the bank would

return to the borrowers all the securities/documents/title deeds to mortgaged property within 15 days of repayment of all dues agreed to or contracted. The bank will compensate the borrower for monetary loss suffered, if any due to delay in return of the same. In the event of loss of title deeds to mortgage property at the hands of the banks the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lumpsum amount as decided by the bank.

#### **14. DELAY IN UPDATION/RECTIFICATION OF CREDIT INFORMATION SUBMITTED TO CREDIT INFORMATION COMPANIES (CIC) BY THE BANK**

Where the complaint has been received and registered by the Bank and there has been a delay in the resolution of the complaint, the Bank will pay compensation to its customer on the amount of Delay in updation/ rectification of credit information by the Bank to Credit

Information Companies (CIC) in line with reference to the RBI Circular Reference no: RBI/2023- 24/72 DoR.FIN.REC.48/20.16.003/2023-24 dated October 26, 2023 on Framework for compensation to customers for delayed updation/ rectification of credit information by the credit institutions (CIs) and RBI/DoR/2024-25/125 DoR.FIN.REC.No.55/20.16.056/2024-25 dated January 06, 2025 on Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025.

The Bank shall inform the concerned CIC(s) and the Customers who have filed complaint (Complainants) after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC(s).

Complainants are advised to submit in the compliant submission form the contact details, email ID, and bank account details/ Unified Payment Interface (UPI) ID for crediting the compensation amount. The onus of providing accurate details will lie with the complainant and the Bank will not be held responsible for any incorrect information provided by the complainant

Process to be followed by the Bank:

- Complainants shall be entitled to a compensation of ₹100 per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with the bank.
- Bank shall pay compensation to the complainant if the Bank has failed to send updated credit information to the CICs by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC.
- The Complainant shall be advised by the Bank of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by the Bank.
- The compensation amount shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.
- The date of the resolution of the grievance shall be the date when the rectified Credit Information Report (CIR) has been sent by the CIC or the Bank to the postal address or email ID provided by the complainant.

#### **15. FORCE MAJEURE**

The bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not 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.