

Janata Sahakari Bank Ltd., Pune

(Multi-State Scheduled Bank)

Compensation policy 2024-25

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1. Introduction –

Compensation Policy is designed to cover areas relating to unauthorized debiting of account, payment of interest to customers for delayed collection of cheques/instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, lending, etc. The policy is based on principles of transparency and fairness in the treatment of customers.

2. Purpose -

The purpose of this policy is to establish a system whereby the bank compensates the customer for any 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 should approach Banking Ombudsman or any other Forum for redressal to come down significantly.

3. Scope –

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. Points covered in the policy -

4.1 Unauthorized/ 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 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 because of unauthorized/erroneous debit, bank will compensate the customer to the extent of such financial losses.

4.2 Payment of Cheques after Stop Payment Instructions -

In case a cheque has been paid after stop payment instruction is acknowledged by the bank, 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 1 above. Such debits will be reversed within 2 working days of the customer intimating the transaction to the bank.

4.3 Payment of Interest for delayed Collection of Outstation Cheques –

Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond 15 days considering that the cheque will be send through Post. Cheque presented for clearing should be send within 24 hrs. 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 15 days

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b) Where the delay is beyond 15 days but within 90 days, interest will be paid at the rate applicable for term deposit for the corresponding period or Saving Bank rate, whichever is higher.

c) In case of delay 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 as per above mentioned period.

4.4 Compensation for loss of instrument in Transit -

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 delay up to 14 days from the date of receiving the information of instrument lost, 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 issuing duplicate cheque;

(c) Beside of that bank should also pay the required expenses incurred by the customer to get the duplicate cheque.

4.5 Issue of Duplicate Draft and Compensation for delays -

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.

4.6 Crediting Pension Amount and Compensation for delays -

Branch should make immediate accounting of customer's pension list or pension arrears. If the list has been received at the time of Branch closing; it should be accounted on next working day. If the branch processed 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 bank rate.

4.7 Crediting customer's salary/remittances from other institutions and Compensation for delays -

Branch should remit 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 be remitted 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.

4.8 Remittances NEFT amount and Compensation for delays -

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

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4.9 Loss due to Home Savings Collection agent or representative appointed by the bank and Compensation for loss -

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

4.10 Delay in returning of Loan Documents to Customer by Bank's Side and Compensation for Delays -

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

4.11 Delay in Updating the CIBIL Report of Customer-

If the customer lodge a complaint regarding the correction in CIBIL Report of Customer, the TAT for the same is 30 days. The 30days are bifurcated as 21 days to bank and 9 days to Credit Company. After receiving the complaint, the bank should provide the correct information to Credit Company within 21 days from receiving the complaint. After receiving the information from the bank, Credit Company should update the same in 9 days. Whoever exceeds the limit must pay a compensation to customer as Rs.100/- for delay of per calendar day. Ex. If a bank takes 25 days instead of 21 days to provide the correct data to Credit Company bank should pay Rs.400/- of 4 days to customer. If a Credit company takes 12 instead of 9 days to update data it should pay Rs.300/- as compensation. The said complaint will be forwarded to concerned department and follow up for updation of the same will be done by Customer Care Dept.

Escalation Matrix for CIBIL Updation:

Sr. No.	Level	Day of Lodging/ escalation
1.	Customer Care Department (CCD)	4 Calendar days from date of receipt of complaint at department.
2.	Ho Loan/CPC Dept.	2 Calendar days from date of receipt of complaint at department.
4.	DGM Customer Care Department (CCD)	After 2 Calendar days from date of receipt of complaint at CCD.
5.	GM Customer Care Department (CCD)	After 2 Calendar days from date of receipt of complaint at DGM.
6.	CGM Customer Care Department (CCD)	After 2 Calendar days from date of receipt of complaint at GM.
7.	CEO Customer Care Department	After 2 Calendar days from date of receipt of complaint at CGM.

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8.	CIBIL Information should be provided by Ho Loan/CPC Dept. to Credit company within Calendar 21 days from receipt of the complaint
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4.12 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.

4.13 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 customers are able getting interest.

4.14 Wrong posting/passing of delivery instruction slip -

After selling the shares, customer should submit delivery instruction slip in department for transferring these shares to broker's account. After receiving delivery instruction slip, posting, passing is carried out by NSDL department. Shares cannot be transferred if some mistake arises during posting and passing and customer should pay Auction Penalty (Maximum 20% of the difference in share price) for that. If the customer has to pay the penalty due to bank's mistake; bank should pay the compensation equivalent to the amount paid by the customer

4.15 Things beyond the control of the bank -

If the customer has suffered any loss occurs due to things which are beyond the control of bank; 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 occurred due to unusual circumstances and bank lost its control on its machinery under normal conditions, means of communication/ all types of transportation; in such case, bank will not liable to pay compensation as mentioned above.

4.16 Informing the details to Head Office regarding the compensation paid to the customer -

As mentioned above if branch pays any compensation, it is necessary to send detailed information along with branch recommendation to administration/personnel department. Branch will be instructed by Administration department by taking the consideration of the information received, branch recommendation, staff mistake etc.

4.17 Right to defend Bank before any forum -

If customer is unsatisfied with action taken by the branches or action as per the policy of compensation, he can raise his issue to HOD-Customer care department. Customer can appeal to chief executive officer about the decision given by HOD-

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Customer care department. If customer disagree with the decision of chief executive officer he can appeal to office of banking ombudsman.

4.18 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.

5. 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 should 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.

6. Review and Amendments/Modification of the Policy -

The Bank reserves the right to amend/ modify this Policy, as and deemed fit and proper, at its sole discretion. The Bank shall arrange to review the Policy at yearly intervals. If any change is subsequently approved to this policy, consequent upon any subsequent change in regulatory guidelines/operating instructions etc. such changes and approvals, with the concurrence of Hon. Board of Directors shall be deemed to be part of the policy is comprehensively reviewed.

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