



**The Greater Bombay Co-Operative
Bank Ltd.
(Scheduled Bank)**

**Information Technology
Department**

**Policy for Customer Protection – Limiting
liability in unauthorized Electronic Banking
Transactions**



Policy for Customer Protection – Limiting liability in unauthorized Electronic Banking Transactions

Introduction:

As per RBI circular BCDBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017, due to increase in customer grievances relating to unauthorized electronic Banking Transaction resulting in debits to their accounts, criteria for determining the customer's liability has been reviewed and Banks have been advised to lay down policy for the same.

The objective of the policy is to protect the Bank's Cardholders for Digital transactions, transactions shall be authenticated through the use of dual authentication process viz. card details - CVV and One Time Passwords (OTP) for Ecom, ATM withdrawals & PoS transactions shall be authenticated with the Card and PIN, Mobile Banking Transactions through MPIN & TPIN, to ensure security and non repudiation. Users will select, secure, employ and manage cards, Mobiles and the OTP/Pin to protect against unauthorized usage of the cards."

Keeping in view the various regulatory / statutory guidelines and the Banks own internal requirements, the Bank is required to lay down the Policy for Customer Protection – Limiting liability in unauthorized Electronic Banking Transactions, with the approval of its Board of Directors recommended by the Information Technology Committee.

To ensure safety and security of electronic Banking transactions we propose the following :

- The Bank will send monthly SMS alerts (English / Hindi) to its cardholders, alerting them not to share the card details or the OTP to anyone through communication channel like phone/email etc
- The Bank will display multi lingual notices in ATM room and prominent places in the branch where there is visibility for the customers
- The Bank will advise customers through SMS/ Emails/Welcome letter, to notify the Bank of any unauthorized transaction at the earliest so as to reduce the risk of loss to the Bank/customer
- The Bank will provide only Atm Cash withdrawals if mobile number is not submitted by the account holder
- Transactional SMS alerts will be sent mandatorily to the customers for any digital transaction via CEdge.
- As per statutory guidelines, Bank should have 24*7 facility for customers to lodge complaints for blocking of cards, since this facility is not available with us at present we are asking customers to lodge the complaint with the branch and we have also put up IT dept. staff's mobile numbers in all ATM rooms and the numbers are mentioned in the welcome letter.
- The Bank will respond to all written complaints in writing within 7 working days.



Liability

ZERO LIABILITY OF THE CUSTOMER	<ul style="list-style-type: none">• If contributory fraud / negligence/deficiency is on part of the Bank• Third party breach where deficiency is neither with the Bank nor with the customer but lies in the Bank's system and the customer notifies within 3 days, irrespective of the type of account held with the Bank.
LIMITED LIABILITY OF THE CUSTOMER	<ul style="list-style-type: none">• If loss is due to the negligence of the customer where he has shared the entire payment credentials, till he notifies the Bank, the entire loss will be borne by the account holder. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the Bank
	<p>If the matter is reported within 4-7 days, per transaction liability of the customer is as follows:</p> <ul style="list-style-type: none">• Basic Savings account holders liability will be maximum Rs. 5000/-• All other Account holders liability will be maximum Rs.10,000/- if limit / average balance is below Rs. 25 Lakhs• Account holders whose limit is above 25 Lakhs, maximum liability to be borne by the account holder is Rs. 25000/-

If the delay in reporting by the account holder is beyond seven working days, the customer's will have to bear the entire loss.

On being notified by the customer, the bank will 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) for zero / limited liability

The complaint will be resolved within 90 days, if the Bank is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation will be paid to the customer.

Insurance Claim :

All **unauthorized Electronic Banking Transactions**, where the Bank will be responsible to bear the loss, will be covered by Insurance Authorities with whom we have a tie-up.



- Since the ATM withdrawal per day limit is minimum Rs.25,000/- maximum is Rs. 1,00,000/- the Insurance cover will be for Rs. 1 Lakh.
- If the CBS service provider does not generate the SMS, which will be available through logs, Bank will lay the claim on the CBS service provider, as it is mandated by RBI , for every electronic transaction an SMS alert has to be sent to the customer. The logs and the confirmation will be provided by the service provider. The amount will be deducted from the Monthly Bills, after the consent is given by the service provider.

All the unauthorized Electronic Banking Transactions will be put up to the Board every month.