



中国工商银行 孟买分行
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH

Compensation Policy, 2020

Compliance Department



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1. Introduction

This Compensation Policy of the Bank is designed to cover areas relating to unauthorized debiting of account, payment of cheques after acknowledgement of stop payment instruction, remittances within India, foreign exchange services, lending etc. The policy is based on principles of transparency and fairness in the treatment of customers.

The objective of the 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 has to approach Banking Ombudsman or any other Forum for redressal to come down significantly.

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.

2. 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 on account of the unauthorized / erroneous debit, the bank will compensate the customer to the extent of such financial losses.

In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank will endeavor 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 centers,

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.

Erroneous transaction reported by customers in respect of credit card / debit card operations which require reference to a merchant establishment shall be handled as per rules laid down by card association.

3. Direct debits to accounts

The bank will undertake to carry out direct debit 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.

4. 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. Such debits shall be reversed within 2 working days of the customer intimating the transaction to the bank.

5. Foreign Exchange Services

The Bank shall 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 instrument 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.

6. Compensation for loss of instrument in Transit

The bank's compensation policy for financial loss suffered by the customer 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 our collection policy. The same is extracted below for information.

Cheques 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, the bank 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 Account holder will be compensated in respect of instruments lost in transit in the following way:

- a) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection i.e. 14 days, interest will be paid at the rate applicable to term deposits as on that day.
- b) In addition, bank will pay interest on the amount of the cheque for a further period of 15 days
- c) at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- d) 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.

7. Payment of compensation without demand from the customer

The bank would provide for automatic payment of compensation for financial losses which customers might incur due to deficiency in the services offered by the bank which can be measured directly without waiting for demand from the customers.

8. 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 or its Correspondent Bank prevents it from performing its obligations within the specified service delivery parameters.

9. Review of Policy

This policy shall be reviewed annually.