

SBI Cards and Payment Services Limited

Customer Compensation Policy

1. Introduction & Scope

SBI Cards and Payment Services Limited hereinafter referred to as (“SBI Card”) or (“Company”) has framed this Customer Compensation Policy to increase efficiency of operations/better performance and to compensate adequately to any customer who faces deficiency in services as an on-going effort to provide better service to our customers and set higher standards for performance.

1.1. Applicability

- a) The Policy will be applicable to all financial services given to the customers of SBI Card
- b) The Policy is based on principles of transparency and fairness in the treatment of customers. It is designed to cover any deficiency in service in areas including but not limited to unauthorized/erroneous transactions, issuance of Cards without the proper consent of customers, Non-blocking of card after acknowledgement of request for its blocking, as specified in this Policy. The aforementioned policy will be enforced on scenarios considered an “exception(s)” to the Company’s Fee Reversal Policy
- c) Grant of compensation under this Policy is without prejudice to the Company's rights in defending its position before any Court of Law, Tribunal or any other forum duly constituted to adjudicate customer disputes and does not constitute any admission of liability or any other issue, of any nature whatsoever, for the purposes of legal / judicial / quasi judicial proceedings.
- d) Unless stated otherwise, all parts of this Code apply to all financial services given to Customers of SBI Card, whether we provide them across the counter, over the phone, on the internet or by any other method. The policy does not cover and is not applicable in respect of any indirect/ consequential claims made by customers on account of opportunity losses or damages or claims pertaining to reputation / business loss.

1.2. Reference (Regulatory Guidelines & Circulars)

- RBI Master Direction - Credit Card and Debit Card - Issuance and Conduct Directions, 2022 dated April 21, 2022.
- Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023
- “Framework for compensation to customers for delayed updation/ rectification of credit information “dated October 26, 2023
- Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023
- RBI circular on Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions dated 6th July 2017
RBI Master Circular on Fair Practices Code dated 1st July 2015
- RBI circular on Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems dated 20th September 2019.
- RBI circular on Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans dated September 13, 2023

The aforesaid Regulatory Directions, Guidelines & Circulars shall apply as amended from time to time.

1.3 Associated Policies

- Customer Grievance Redressal Policy

- Legal Settlement Policy
- Fair Practice Code

1.4 Annual Review

The policy will be reviewed annually or earlier in case a business need arises or if any regulatory changes are observed. The regulatory changes in the policy shall be deemed to be part of policy unless amended in terms of this policy. The policy shall be approved by the Board on the recommendation of Stakeholders Relationship and Customer Experience Committee.

2. Objectives

The objective of the "Customer Compensation Policy" is to establish a system whereby the Company compensates the customer for any financial loss due to an alleged deficiency and later proven in service on the part of the Company or any act of omission or commission, directly attributable to the Company and the compensation which customer might be entitled in terms of **Framework for compensation to customers for delayed updation/ rectification of credit information dated October 26, 2023**

3. Policy Exceptions

Exceptions to the Board Approved Policy are discouraged and in case of any exception, it shall be put up to the Board on the recommendation of Stakeholders Relationship and Customer Experience Committee.

4. Governance Structure

4.1 Roles and Responsibilities

4.1.1 Board

- The Board is responsible for reviewing and approving the changes in the policy as recommended by the **Stakeholder Relationship and Customer Experience Committee (SRCEC)**.

4.1.2 Stakeholder Relationship and Customer Experience Committee (SRCEC)

The SRCEC shall be responsible for the below:

To review the policy and recommending any changes considering the changing industry dynamics, to improve customer experience and recommend to the Board for approval.

4.1.3 Head of Customer Services

Customer Service Head is responsible for reviewing this Policy at least annually or as and when changes are required due to change in regulatory/business requirements along with seeking necessary approvals from the appropriate authorities. The policy implementation and ongoing policy compliance must be ensured.

4.1.4 Customer Service Team

Customer Service team shall be responsible for the policy implementation, monitoring and update the Board approved customer compensation policy annually or as and when changes are required due to change in regulatory/business requirements.

4.1.5 Customer's Responsibility

- I. The Company will not be responsible for the loss to the customers due to customer's carelessness in keeping the Card(s), PIN or other security information and not following "Do's and Don'ts" issued by the Company, until the Company has been notified by the customer.
- II. The Company will not be responsible for the loss to the customer, if the customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/her. The Company will also not be responsible for the losses arising out of misuse of lost PIN, compromise of passwords or confidential information, loss of device until the time the Company has been notified of such loss/compromise and has taken steps to prevent its misuse.
- III Adhere to the MITC and cardholder agreements.

5. Policy Framework

5.1. Principle & Overview

Company may compensate the customer in following scenarios:

I. Erroneous/Unauthorized debit

- a. The Company has formulated a Board approved Grievance Redressal Policy for unauthorized Credit card transactions reported by customers in accordance with the applicable regulatory guidelines. The policy covers in detail, the limited liability of a customer in different scenarios.
- b. If the company has raised an unauthorized/erroneous debit to an account then upon being informed/ intimated by the customers the entry will be reversed with proper suitable value including charges if any, after due verification.
- c. Unauthorized/erroneous transaction which requires specific reference to a merchant establishment will be handled as per chargeback rules laid down by Card Networks. The Company will provide explanation and, if necessary, documentary evidence to the customer within a maximum period of 90 days from the date of receipt of complaint.
- d. The liability of customer in matters related to unauthorized credit card transactions will be determined as per the Grievance redressal policy and the compensation to the customer shall be approved / ratified in terms of aspects of this policy.
- e. The above scenarios may need to be modified from time to time to adapt to changing business arrangements, industry practices, or regulatory requirements.

II. Delay in processing customer requests resulting in financial loss

In case a complaint is received from the customer for any delayed process execution / resolution, the Company shall after examining the facts and circumstances of the case compensate the customer suitably.

III. Misconduct or execution error by employees / agents

It is the Company's commitment to act fairly and ethically in all its customer dealings either directly or through its employee/agents. For this reason, the Company has adopted a Fair Practice Code. In case the Company receives a complaint alleging improper behavior /misconduct or execution error by its employee/agent, the Company shall initiate an investigation and take necessary steps as per corrective action policy.

IV. Issue of unsolicited cards

Where it is established that the Company had issued a credit card without written consent of the recipient, the Company would not only reverse the charges immediately but also pay compensation without demur to the recipient amounting to twice the value of charges reversed as per regulatory guidelines.

V. Non-redressal of complaint within due timelines

If a complainant does not get satisfactory response from the Company within a maximum period of thirty (30) days from the date of his lodging the complaint, he will have the option to approach the Office of the concerned Ombudsman appointed by Reserve Bank of India (RBI) for redressal of his grievance/s. The Company shall be liable to compensate the complainant for the loss of his time, expenses, financial loss as well as for the harassment and mental anguish suffered by him on account of non or inadequate redressal or as instructed by appropriate authority. The Company shall also comply with any award (for specific performance of an obligation or any amount to be paid by way of compensation) passed by Ombudsman appointed by RBI.

VI. Mis-selling of Products

In the event of receiving of any complaint from the customer regarding mis-selling of products by the Company, or about having engaged in any improper conduct or about having acted in violation of any Code adopted by the Company, the Company shall take appropriate steps to investigate and to handle the complaint. In case any lapse(s) by the Company or its employees is/ are established, the Company will compensate the customer suitably, based on the facts and circumstances of the case.

VII. Failed Transaction Scenario and Customer Compensation-

In compliance of the RBI circular on Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorized payment systems dated 20th September 2019, in case SBI card does not reverse the money debited due to a failed transaction within a prescribed timeline in applicable cases, then compensation shall be paid to the customer as per provisions of the above circular and basis any such confirmation/information received from card networks on failed transactions.

5.2. Force Majeure :

The Company shall not be liable to compensate customers for delayed services if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labor disturbances, accident, fires, natural disasters or other "Acts of God", including epidemic / pandemic ,war, damage to the company's facilities, absence of the usual means of communication or all types of transportation, etc. beyond the control of the company prevents it from performing its obligations within the specified service delivery parameters.

5.3. General :

Acceptance of the compensation by the customers if any awarded) under this policy shall be deemed to be final settlement of all issues arising out of grievances for which compensation is claimed and the complaint shall accordingly be closed.

5.4. Execution Mechanism:

- I. Case analysis and recommendation to relevant committee/authority.
- II. Recording of final decision and customer communication.
- III. It is proposed that meeting of the Customer Compensation Committee shall be held as per the requirement.

5.5. Evaluation Mechanism

Reporting :

- I. The waiver/reversals and compensation approved by Head Customer Service shall be submitted to Deputy CEO for control at monthly intervals.
- II. The waiver/reversals and compensation approved by Committee II shall be submitted to Deputy CEO for control at monthly intervals.
- III. All the waivers/ compensation approved by Committee I shall be submitted to MD & CEO for control at monthly intervals.
- IV. All the waivers/ compensation approved by Stakeholders Relationship and Customer Experience Committee shall be submitted to the Board for control at Half yearly intervals i.e. within 6 months from date of approval.