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# Credit Suisse AG, Mumbai Branch

## Compensation Policy

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## 1. Scope and Purpose

This Compensation policy of the bank 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, foreign exchange services, lending, etc. The policy is based on principles of transparency and fairness in the treatment of customers.

The objective 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 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 court, forum or authority duly constituted to adjudicate banker-customer disputes.

## 2. Unauthorised /Erroneous Debits :

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 shall arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of erroneous debit. In cases where neither the branch nor the customer is at fault, but the fault lies elsewhere in the system, the bank will compensate the customers up to a limit of Rs. 500. The Bank shall on a best effort basis complete the verification process within a maximum period of 30 working days from the date of reporting of erroneous transaction by the customer. In case of any fraud, if the bank is convinced that an irregularity/ fraud has been committed by its staff towards any constituent, the bank will at once acknowledge its liability and pay the just claim.

## **2. a) Payment of Cheques after Stop Payment Instructions:**

In case a cheque has been paid after stop payment instruction is acknowledged by the bank, and there have been no subsequent and contradictory instructions received 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 1 above.

Wherein there is any consequential financial loss arising as a result, the Bank shall compensate the customer to the extent of direct financial loss - by way of loss of savings account interest on account of reduction in the minimum balance applicable for payment of interest on savings bank deposit or payment of additional interest to in a loan account or any charges levied for reason of balance falling below minimum balance requirement or any charges levied for return of cheques due to shortfall in balance.

## **3. Foreign Exchange Services :**

The Bank 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. 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:

- a) Interest for the delay in crediting proceeds as indicated in the Cheque Collection Policy of the bank.
- b) Compensation for any possible loss on account of adverse movement in foreign exchange rate.

## **4. Remittances in India :**

The compensation on account of delays in collection of instruments would be as indicated in the bank's collection policy which is reproduced below for information:

“Payment of Interest for delayed Collection of Outstation Cheques:

As part of the compensation policy of the bank, the bank 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.

**4.a) 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 to for term deposit for the respective period.
- 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.

It may be noted that interest payment as given above would be applicable only for instruments sent for collection within India".

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 our collection policy. The same is extracted below for information:

**4.b) 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, 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 bank will compensate the accountholder 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 (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.
- b. 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.
- c. 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.

**4.c) Payment of penal interest for delayed credit /refunds of NEFT transactions**

In case of delay in crediting the beneficiary customer's account or in returning the uncredited amount to the remitter in case of RTGS/NEFT, bank will compensate its customers by paying interest as follows:

Current RBI LAF Repo Rate plus 2% for the period of delay / till the date of refund as the case may be to the affected customers, without waiting for claim from customers.

**5. Violation of the Code by banks agent :**

In the event of receipt of any complaint from the customer that the bank's authorised representative / courier has engaged in any improper conduct or acted in violation of the Code of Bank's Commitment to Customers which the bank has adopted voluntarily, bank shall take appropriate steps to investigate the complaint, communicate the findings to the customer within appropriate timelines as per the Grievance policy . In the event the Bank admits to such violation of the code, it will compensate the customer for direct financial losses, if any.

**6. 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), any unforeseen systemic breakdowns, system grid-lock or any settlement activity beyond the control of the Bank (including but not limited to inordinate backlogs/cutoffs), 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.

**7. Delay in return of original security documents and title deeds on repayment of the underlying financing facility(ies) :**

In the event the Bank does not return the securities/documents/title deeds with respect to the mortgaged property or does not inform the customer to collect the securities/documents/title deeds with respect to the mortgaged property from the Bank's branch/authorized agent of the Bank within 15 days from the date of repayment of all dues agreed to or contracted with the Bank, the customer shall have the right to take appropriate steps as per the grievance redressal policy. Decision of the Bank shall be final and binding.

**8. General :**

The Bank shall not be liable for any loss of profits, or any indirect or consequential loss, damages or expenses. Acceptance of the compensation under this policy shall be full and final settlement of all issues arising out of grievances for which compensation is claimed.

**Reference**

DBOD No.Leg.BC. 21/09.07.006/ 2014-15	01.07.2015	Master Circular on Customer Service in Banks
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