



## Customer Protection Policy

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# Customer Protection Policy

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## *Customer Liability In Case Of Unauthorised Electronic Banking Transactions*

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## Introduction:

EbixCash is committed to provide superior and safe customer service experience to all its customers. In order to enable the above, the EbixCash has over the years invested in technology and has robust security systems and fraud detection and preventions mechanisms in place to ensure safe and secure banking experience to its customers. Keeping in mind the increasing thrust on financial inclusion & customer protection, the Reserve Bank of India had issued a circular on Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions. (RBI/2018-19/101 DPSS.CO.PD.No.1417/02.14.006/2018-19 dated January 04, 2019) which requires PPI to formulate a Board approved policy in regard to customer protection and compensation in case of unauthorized electronic banking transactions

## Objective:

This policy seeks to communicate in a fair and transparent manner the EbixCash's policy on:

- a) Customer protection (including mechanism of creating customer awareness on the risks and responsibilities involved in electronic banking transactions),
- b) Customer liability in cases of unauthorized electronic banking transactions
- c) Customer compensation due to unauthorized electronic banking transactions (within defined timelines)

## Scope:

Electronic banking transactions usually cover transactions through the below modes:

- a) Remote/ online payment transactions (transactions that do not require physical payment instruments to be presented at the point of transactions e.g. internet banking, mobile banking, card not present (CNP) transactions, Pre-paid Payment Instruments (PPI), etc.)
- b) Face-to-face / proximity payment transactions (transactions which require the physical payment instrument such as a card or mobile phone to be present at the point of transaction e.g. ATM, POS, etc.)

This policy covers transactions only through the above modes. The policy excludes electronic banking transactions effected on account of error by a customer (e.g. NEFT carried out to an incorrect payee or for an incorrect amount), transactions done under duress, claims due to opportunity loss, reputation loss, other incidental costs or collateral damage.

PPIs issued under the arrangement of PPI-MTS (PPIs for Mass Transit Systems) will be outside the purview of these directions except for the cases of contributory fraud / negligence / deficiency on the part of the PPI-MTS issuer.

### **Applicability:**

- a. This policy is applicable to entities that hold relationship with the bank viz.:
  - i) Individual and non-individual customers who hold current or savings account.
  - ii) Individual / non-individual entities that hold credit card and/or prepaid card.
  - iii) Individual / non-individual entities that use other electronic platforms of the Bank like internet banking, net banking and wallet.
- b. This policy is not applicable to:
  - i) Non-Customer that use EbixCash / Bank's infrastructure e.g. ATMs, electronic wallet
  - ii) Entities that are part of the ecosystem such as Interchange organizations, Franchises, Intermediaries, Agencies, Service partners, Vendors, Merchants etc.

### **Definitions & Explanations: (for the purpose of this policy)**

- a. Real loss is defined as financial outgo from customer's account e.g. debit to customer's wallet / account / card.
- b. Card not present (CNP) transactions are defined as transactions that require use of Card information without card being physically used e.g. e-commerce transactions
- c. Card present (CP) transactions are defined as transactions that require use of physical card e.g. at ATM or shops (POS)
- d. Payment transactions are defined as transactions that involve transfer of funds from one account/ wallet to another electronically and do not require card information e.g. NEFT
- e. Unauthorised transaction is defined as debit to customer's account without customer's consent
- f. Consent includes authorization of a transaction debit either through standing instructions, as per accepted banking practice and regulation, based on account opening process and related matters or based on additional authentication required by the EbixCash / Bank's such as use of security passwords, input of dynamic password (OTP) or use of Card details (CVV/ Expiry date) or any other electronic authentication option provided by the EbixCash.
- g. Date & time of reporting is defined as date & time on which customer has submitted a unique complaint. Date of receiving communication from the EbixCash / Bank's, is

excluded for purpose of computing number of working days for all action specified in this policy. The working schedule of the home branch would be considered for calculating working days for customer reporting. Time of reporting will be as per Indian Standard Time.

- h. Notification means an act of the customer reporting unauthorized electronic banking transaction to the EbixCash / Bank's
- i. Number of days will be computed based on working days
- j. Mode of reporting will be the channel through which customer complaint is received first time by the EbixCash / Bank's, independent of multiple reporting of the same unauthorized transaction.

## Limited Liability of a Customer

### *(a) Zero Liability of a Customer*

A customer's entitlement to zero liability shall arise where the unauthorised transaction occurs in the following events:

- i. Contributory fraud/ negligence/ deficiency on the part of the EbixCash / Bank's (irrespective of whether or not the transaction is reported by the customer).
- ii. Third party breach where the deficiency lies neither with the EbixCash / Bank's nor with the customer but lies elsewhere in the system, and the customer notifies the EbixCash / Bank's within three working days of receiving the communication from the EbixCash / Bank's regarding the unauthorised transaction.

### *(b) Limited Liability of a Customer*

A customer shall be liable for the loss occurring due to unauthorised transactions in the following cases:

- i. In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the EbixCash / Bank's. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the EbixCash / Bank's.
- ii. In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the EbixCash / Bank's nor with the customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the EbixCash / Bank's) on the part of the customer in notifying the EbixCash / Bank's of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in [Annexure-1](#), whichever is lower.

## Third Party Breach

The following would be considered as Third party breach where deficiency lies neither with the Bank nor customer but elsewhere in the system:

- a) Application frauds
- b) Account takeover
- c) Skimming / cloning
- d) External frauds / compromise of other systems, for e.g. ATMs / mail servers etc. being compromised

## Roles and responsibility of the customer

Customer is bound by the below:

- i) The customer must register with a valid mobile no.
- ii) The customer must register with correct name as per the OVD .
- iii) The customer must mandatorily register for SMS alerts and wherever available also register for e-mail alerts, for electronic payment transactions.
- iv) Customer shall not share sensitive information such as OTP / password / TPIN with any person including Ebix cash staff or partners
- v) The customer must protect his device with latest antivirus software (Devices include:-smart phones, laptops, desktop, tab)
- vi) Customer must set transaction limits to limit exposure.
- vii) Customer must verify transaction detail and raise query to Ebix cash as soon as possible in case of mismatch.
- viii) The customers must notify EbixCash of any unauthorised electronic banking transaction at the earliest after the occurrence of such transaction. The longer the time taken to notify EbixCash, the higher will be the risk of loss to EbixCash / customer.
- ix) Customer shall share relevant documents as needed for investigation or insurance claim viz. cardholder dispute form,

- copy of passport in case of international transactions and police complaint.
- x) Fully co-operate and comply with Bank's reasonable requirements towards investigation and provide details of transaction, customer presence, etc.

Customer is entitled to:

- i) Receive SMS alerts to registered mobile number for all debit transactions to the account
- ii) Receive Email alerts where there is a valid email id registered with EbixCash
- iii) Register complain through modes provided.
- iv) Receive compensation as mentioned in [Annexure-1](#)

## **Roles and responsibility of the EbixCash**

- i. Provide customers with 24x7 access through multiple channels (at a minimum, via website, phone banking, SMS, e-mail, IVR, a dedicated toll-free helpline, reporting to home branch, etc.) for reporting unauthorised transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.
- ii. EbixCash shall also enable customers to instantly respond by "Reply" to the SMS and e-mail alerts and the customers should not be required to search for a web page or an e-mail address to notify the objection, if any.
- iii. A direct link for lodging the complaints, with specific option to report unauthorised electronic transactions will be provided by EbixCash on home page of the website.
- iv. The loss/ fraud reporting system shall also ensure that immediate response (including auto response) is sent to the customers acknowledging the complaint along with the registered complaint number.
- v. The communication systems used by EbixCash to send alerts and receive their responses thereto must record the time and date of delivery of the message and receipt of customer's response, if any, to them. This shall be important in determining the extent of a customer's liability.
- vi. During investigation, in case it is detected that the customer has falsely claimed or disputed a valid transactions, the EbixCash reserves its right to take due preventive action of the same including closing the account or blocking card limits
- vii. On being notified by the customer, EbixCash shall credit (notional reversal) the amount involved in the unauthorised electronic payment transaction to the customer's PPI

within 10 days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any), even if such reversal breaches the maximum permissible limit applicable to that type / category of PPI. The credit shall be value-dated to be as of the date of the unauthorised transaction.

- viii. This policy should be read in conjunction with Grievance Redressal Policy. Clauses from the Bank's Grievance Redressal Policy shall form a part of this policy where not specifically addressed in this policy. The policy is available on the following link: <https://ebixcash.com/>

## **Proof of customer liability**

EbixCash has a process of second factor authentication for electronic transactions, as regulated by the Reserve Bank of India. EbixCash has onus to prove that all logs / proofs / reports for confirming two factor authentication is available. Any unauthorized electronic banking transaction which has been processed post second factor authentication known only to the customer would be considered as sufficient proof of customer's involvement / consent in effecting the transaction.

## **Force Majeure**

EbixCash 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 prevents it from performing its obligations within the specified service delivery parameters.



## Annexure-1

### Customer liability in case of unauthorised electronic payment transactions through a PPI

| S. No. | Particulars  | Maximum Liability of Customer                                       |
|--------|--|---|
| (a)    | Contributory fraud / negligence / deficiency on the part of the PPI issuer, including PPI-MTS issuer (irrespective of whether or not the transaction is reported by the customer)  | Zero  |
| (b)    | Third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system, and the customer notifies the PPI issuer regarding the unauthorised payment transaction. The per transaction customer liability in such cases will depend on the number of days lapsed between the receipt of transaction communication by the customer from the PPI issuer and the reporting of unauthorised transaction by the customer to the PPI issuer - |   |
|        | i. Within three days <sup>#</sup>  | Zero  |
|        | ii. Within four to seven days <sup>#</sup>   | Transaction value or ₹ 10,000/- per transaction, whichever is lower |
|        | iii. Beyond seven days <sup>#</sup>  | As per the Board approved policy of the PPI issuer                  |
| (c)    | In cases where the loss is due to negligence by a customer, such as where he /   |   |

she has shared the payment credentials, the customer will bear the entire loss until he / she reports the unauthorised transaction to the PPI issuer. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the PPI issuer.

- (d) PPI issuers may also, at their discretion, decide to waive off any customer liability in case of unauthorised electronic payment transactions even in cases of customer negligence.

# The number of days mentioned above shall be counted excluding the date of receiving the communication from the PPI issuer.

**Any unauthorized electronic banking transaction reported after 7 working days will be treated as 100% customer liability.**