

Westpac India - Customer Compensation Policy

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WESTPAC INDIA CUSTOMER COMPENSATION DOCUMENT HIERARCHY

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1	Westpac India Customer Compensation Policy

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1. Introduction and Objective of this Policy

This Policy outlines the approach of Westpac Banking Corporation, Mumbai branch towards the customer compensation in situations where due to some reason the Bank is unable to meet the service levels committed by it in dealing with valued customers of the Bank. It will be Westpac's endeavor to offer services to its customers with best possible utilisation of its technology infrastructure.

This policy covers 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. It 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, Westpac expects instances when the customer has to approach Banking Ombudsman or any other Forum for redressal to come down significantly.

It is the aim of the Bank to minimise the number of complaints by the customers to the office of the Banking Ombudsman or any other Forum established for redressal of their grievances. 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 of Westpac, under this policy are without prejudice to its rights of defending its position before any forum duly constituted to adjudicate banker-customer disputes.

2. Recognition of deficiencies and compensation

A) Unauthorised / Erroneous Debit

If Westpac has raised an unauthorized/erroneous direct debit to an account, it will reverse the entry immediately on being informed of the erroneous debit, after verifying the position. In case due to such



unauthorized/erroneous debit if the customer has suffered any financial loss, the Bank will compensate the customer for such loss.

In case verification of the entry reported to be erroneous by the customer does not involve a third party, the Bank would arrange to complete the process of verification within a maximum period of 3 working days from the date of reporting of erroneous debit. In case, the verification involves a third party, the Bank would complete the verification process within a maximum period of 20 days from the date of reporting of erroneous transaction by the customer.

B) Compensation to Depositors – Fraud / Other Erroneous Debits

In the event of reversal of erroneous debits arising on fraudulent or other transactions in deposit accounts, Westpac will compensate the depositors, as detailed below:

- a. In case of any fraud, if the Bank is convinced that an irregularity/fraud has been committed by its own staff towards any constituent, it will pay the claim after investigation of the matter and will take all steps for mitigating the losses.
- b. In cases where the irregularity on part of Westpac is clearly evident, it would compensate the customer immediately.
- c. The payment of compensation amount would however, be considered by the Bank on a case to case basis.

C) ECS direct debits/other debits to accounts

Westpac will undertake to carry out direct debit/ ECS 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.

Westpac will debit the customer's account with the specified applicable service charges as notified by the Bank. In the event the Bank levies any charge in violation of the arrangement, it would reverse the charges when pointed out by the customer subject to scrutiny of agreed terms and conditions.

D) Payment of Cheques after Stop Payment Instructions

In case a cheque has been paid after stop payment instruction is acknowledged by the Bank, it would reverse the transaction and give value-dated credit to the customer within two working days of the customer notifying the bank of the transaction.

3. Remittances in India



A) Payment of Interest for Delayed Collection of Local and Outstation Cheques

As part of its 'Customer Compensation Policy', Westpac will pay interest to its customers in case there is delay in giving credit beyond the time frame indicated in the Bank's Cheque Collection Policy, on the amount of local/outstation instruments deposited for collection. Such interest would be paid by the Bank, at the following rates, without any demand from customers in all types of accounts.

- a) Savings Bank rate for the period of delay in collection of local cheques & for delay beyond 7/10/14 days for cheques drawn on State Capital/major cities/other locations 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 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.

Delay would be calculated from the date of expiry of turnaround time for collection of local/outstation instruments to the actual date of realisation of the cheque/instrument as detailed in the Cheque Collection Policy of the Bank. The Bank will give interest for delayed collection proceeds only for instruments sent for collection within India.

B) Payment of interest for delay in collection of bills

In case of delay in collection of bills (the delay would be reckoned after making allowance for normal transit period based upon a time frame of 2 days each for (i) dispatch of bills, (ii) Presentation of bills on drawee's, (iii) Remittance of proceeds to the Lodger's Bank and (iv) Crediting the proceeds to drawer's account), the Bank would pay interest @ 2 per cent per annum above the rate of interest payable on balances of Savings Bank accounts. If the delay has occurred at the drawee's Bank, Westpac will be eligible to recover interest for such delays from that Bank.

C) Cheques/Instruments Lost in Transit/ in Clearing Process or at Paying Bank's Branch

- a) 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 will immediately on coming to know of the loss, bring the same to the notice of the customer so that the account holder can inform drawer to record stop payment and also take care that cheques, if any, issued by him/her not



dishonored due to non-credit of the amount of the lost cheque/ instrument. Westpac will provide assistance to the customer to obtain a duplicate cheque/ instrument from the drawer.

- b) 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) Westpac would pay interest for the period exceeding the stipulated collection period till the date of reporting of loss of instruments at the specified rate.
- c) In addition, the Bank would also 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.
- d) Westpac will also compensate the customer for any reasonable charges (up to INR 500) 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.

If the cheque/instrument has been lost at the paying bank's branch, Westpac shall have the right to recover from the paying banker the amount, including charges, interest expenses being reimbursed to the customer for the loss of the cheque/instrument, etc.,

D) Issue of duplicate draft and compensation for delay

Westpac will issue duplicate draft as early as possible, but not later than a maximum period of fortnight from the date of receipt of such request from the purchaser or the beneficiary (requests from the beneficiary will be processed only after the bank has established the bonafides of the beneficiary to its satisfaction). For delay beyond this period, the Bank would pay interest at the rate of fixed deposit of corresponding maturity as compensation to the customer.

E) Payment of penal interest for delayed credit/Refunds of RTGS/NEFT transactions

In case of a delay attributable to the bank in crediting the beneficiary customer's account or in returning the uncredited amount to the remitter in case of RTGS/NEFT, the Bank would pay penal interest at the current RBI LAF Repo Rate plus 2 per cent for the period of delay/till the date of refund as the case may be to the affected customers without waiting for claim request from them.



4. Foreign Exchange Services

Westpac would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the collection time defers from country to country and even within the country from place to place. The time norms for return of instruments cleared provisionally also vary from country to country. Westpac may however, consider at its sole discretion, providing upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past. Westpac will compensate the customer for undue delay in affording credit once proceeds are credited to the Nostro Account of the Bank with its correspondent. Such compensation will be given for delay beyond one week from the date of credit to Nostro Account/ due date after taking into account normal cooling period stipulated. Further compensation may be given for any incorrect FX conversions. The compensation in such cases would 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.

5. Violation of the Code by the Bank's agent

In the event of receipt of any complaint from the customer that the Bank's representative / courier or any agent 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, it would take appropriate steps to investigate the complaint and compensate the customer for direct financial losses, if any.

6. Lenders liability – Commitments to Borrowers

Westpac has adopted the principles of lenders liability. Westpac would return to the borrowers all the security documents / title documents within 15 days of repayment of all dues agreed to or contracted, provided there is no other loan, overdraft or other facility availed and outstanding by the customer. Westpac will compensate the borrower unreasonable delays on its part in returning such documents at the rate of Rs 150 per week. In the event of loss of title deed to mortgage property at the hands of the Bank, the compensation will cover out of pocket expenses for obtaining duplicate documents plus lump sum amount as decided by the Bank.



7. Force Majeure

Westpac 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.