



Customer Protection

Limiting Liability of Customers in Unauthorized Electronic Banking Transactions

**Board Approved Document for Private Bank (PB)
And Corporate & Investment Bank (CIB) 2024**

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Summary

As per RBI circular number- RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6,2017, RBI has instructed all banks to prepare and roll out a Board approved document for Limiting Liability of Customers in Unauthorized Electronic Banking Transactions, so that customers get compensation in case of a fraudulent transaction as per RBIs prescribed norms.

A. Purpose – The purpose of this document is to seek approval from ExCO on the **Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions** offered by Deutsche Bank India- (“hereafter, ‘the Bank’) through its business unit, namely – Private Bank (PB) and Corporate & Investment Banking (CIB) as per the “**Board Approved Document**”. It is also a regulatory requirement as per RBI circular RBI/2017-18/15 DBR.No. Leg.BC.78/09.07.005/2017-18 dated July6,2017.

***Board Approved document Proposed –**

In order to follow the best business practices and our endeavor to protect customers’ interest a “**Board Approved Document**” for limiting customer’s liability in case of unauthorized banking transactions

The document is transparent, non-discriminatory, stipulates the mechanism of compensating the customers for the unauthorized electronic banking transactions, and prescribe the timelines for effecting such compensation.

B. Scope –

The electronic banking **Payment transactions** can be initiated by client through:

i. PB Clients:

The electronic banking transactions can be divided into two categories:

(1) 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), and

(2) 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.) third party products / services permissible under the para-banking guidelines of the Reserve Bank of India.

ii. CIB Clients:

- dbdi (Deutsche Bank Direct Internet)
- dbdc (Deutsche Bank Direct Connect)
- Autobahn App Market.

C. Current Channels available for registering customer complaint as per RBIs requirement –

i. **CIB clients** have multiple option to register complaints in case of an unauthorized transaction in the account. They may opt any one of the below modes of communication:

- Call on Hotline / Service desk contact nos. communicated to the client.
- Emails sent to assigned service manager or to the service team on their team generic email ID.
- Fax / Letter sent to registered contact no. / address or handed over across the bank branch counters.

ii. **PB clients** have multiple options to register complaints as below:



Current Channels available 24*7 for registering customer complaint			
Mode	24*7 availability	Card/eBanking Block Access	Auto Response
SMS	Yes	Yes	Yes
Email	Yes	Yes	Yes
Phone	Yes	Yes	Yes
Website	Yes	Yes	Yes
IVR	Yes	Yes	Yes
Dedicated toll-free helpline	Yes	Yes	Yes
Reporting to home branch**	Yes	Yes	Yes

** During Bank working hours.

- Customer can report unauthorized transaction through Phone Banking / Email / SMS / WEBFORM / Online Banking / Mobile Banking and Branches, and as an acknowledgement there will be a reference number provided to customer which will help in further follow up. Customer can provide the reference number and can get an update on his complaint.
- The complaint received from Email / SMS / Webform / Online Banking and Mobile Banking are managed by report.fraud@list.db.com mailbox and the same is actioned by user in near real time basis, in talisma application for further actioning of complaints.

D. Reporting to EXCO/CSC -

On Half-yearly basis, such cases will be reported to India EXCO as part of Complaints Deck for CIB Clients.

On Quarterly basis, such cases will be reported to India CSC (Customer Service Committee) as part of Complaints Deck for PB Clients.



E. Board Approved Document for Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions

PB & CIB India Client Reimbursement Chart for Fraudulent Transactions

Client Reports Fraudulent Transaction						
Client Negligence	No Client Negligence			Where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system		
100% Client Liability	Reported within 3 working days	Reported within 4 to 7 working days	Reported after 7 working days	Reported within 3 working days	Reported within 4 to 7 working days	Reported after 7 working days
Zero liability on customer for transactions done post informing the Bank	Zero Client Liability	The maximum liability of the Bank is limited to the transaction value or amount mentioned in table 1 whichever is lower	Reported within 8 - 90 days. *The transaction value or amount mentioned in table 1, whichever is lower.	Zero Client Liability	The maximum liability of the Bank is limited to the transaction value or amount mentioned in table 1 whichever is lower	Reported within 8 - 90 days. *The transaction value or amount mentioned in table 1, whichever is lower.
			Reported after 91 working days - 100% client liability			Reported after 91 working days - 100% client liability

*Maximum Liability of a Customer (Table 1)	Amount in INR
BSBD Accounts	5,000
All other SB accounts & Current/ Cash Credit/ Overdraft Accounts of MSMEs	10,000
Current Accounts/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs.25 lakh)	10,000
All other Current/ Cash Credit/ Overdraft Accounts	25,000

- Bank will consider “Date of notification” as date of 1st complaint received by the bank from the client.

Further, bank shall ensure that:

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- (i) On receiving the complaint from the customer, Bank will immediately take action and block client's account/card and start the investigation. For CIB clients, the respective user accesses and/ or client internet banking domains shall be disabled.
- (ii) Bank will consider "Date of notification" as date of 1st complaint received by the bank from the client.
- (iii) Fraud monitoring team (FMU) to investigate the complaint within 8 working days & conclude this case as fraud or not fraud. If FMU investigation proves the transaction is fraudulent, Bank shall reverse the transaction with shadow credit* in client's account within 10 working days from date of notification without waiting for insurance company to provide the credit. For CIB clients the investigation shall be carried out by the respective client service teams.
- (iv) The shadow credit will be value dated as of date of fraudulent transaction(s).
- (v) Working days are considered as per banking calendar of home branch of the customer.
- (vi) After posting shadow credit, bank will ask client to submit documentary evidence (ie Insurance documents).
 - a. Filled Insurance claim form
 - b. Complaint letter to the bank infirming the fraudulent transaction/s.
 - c. Police complaint copy or FIR copy.
 - d. Complete passport copy including blank pages in case of overseas fraud.
- (vii) In case the client fails to provide documentary evidence as per the Bank's requirements within 90 working days of reporting the fraud, in order to enable the Bank to determine the liability, the Bank shall reverse the shadow credit from the client's account at the expiry of 90 working days from the date of receipt of client complaint and it shall be deemed as a case of "Full liability of the client".
- (viii) Bank shall resolve any customer complaint within 90 working days of raising of complaint. If not able to resolve within the timeline, then the customer's liability will be considered as zero.
- (ix) The burden of proving customer liability in case of unauthorized electronic banking transactions shall lie on the bank.
- (x) In case our investigation proves client negligence & we close the case as "Not fraudulent", but client refers the case to RBI BO. In such cases we will consider date of notification as date on which we have received the intimation from RBI BO.
- (xi) In case we are not able to complete the investigation within 10 working days due to some technical error or manual error or oversight at our end, Bank shall consider the case as "Fraudulent" & reimburse the client as per reimbursement chart along with the applicable penalty as per Bank's compensation policy.
- (xii) Due to non-corporation from the client (i.e., no response from client for queries raised by us or client is not contactable to discuss or investigate) In case we are not able to complete the investigation within 10 working days, we will close the case as "Not fraudulent". In case the same client comes back to us post 10 working days, we will consider date of notification as date on which client has responded to our query.
- (xiii) The Customer Service Committee shall review the unauthorized electronic banking transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redress mechanism and take appropriate measures to improve the systems and procedures. All such transactions shall be subject to the bank's internal audit.

* Shadow credit stands for – Posting credit entry in client's account with lien marked on the amount posted.