

## Bank of America, N.A. India – Customer Compensation Policy

### Introduction

Bank of America, operating in India since 1964, offers a comprehensive suite of financial products including lending, working capital, treasury and trade services, foreign exchange and interest rates to leading Indian corporates, Indian subsidiaries of multinationals and financial institutions.

It is the endeavor of Bank of America, N.A., India (“the Bank”) to offer services to its customers with best possible utilization of its technology infrastructure. This compensation policy (“the Policy”) will be applicable in the event the Bank, inadvertently or for reasons beyond its control, is unable to meet the agreed service levels in its dealings with customers. The Policy is designed to cover areas relating to unauthorized debiting of account, payment of cheques after acknowledgement of stop payment instructions, remittances within India, foreign exchange services, etc. The policy is based on the principles of transparency and fairness in the treatment of customers.

The objective of the Policy is to establish a system whereby the Bank compensates the customer without having to ask for it, for any financial loss that may be incurred due to deficiency in service on the part of the Bank or any act of omission or commission directly attributable to the Bank. In determining the compensation, the Bank will be generally guided by the terms and conditions of its agreement with the customer for providing services. For the services not covered under the agreement, the Bank will rely upon the regulatory guidelines in determining the rightful compensation to the satisfaction of the customer.

The Policy covers only compensation for restitution of transactional errors done by the Bank which customers might incur due to deficiency in the services offered by the Bank and as such, the commitments under the Policy are without prejudice to any right the Bank will have in defending its position before any forum duly constituted to adjudicate ‘banker-customer’ disputes.

### 1. Unauthorized / Erroneous Debit

If the Bank has raised an unauthorized / erroneous direct debit to an account, the entry will be reversed immediately on internally noticing it or being informed of it by the customer and after verifying the position. The Bank shall immediately arrange for a value dated credit if the debit has resulted in an overdraft position in the account or shall pay compensation as agreed for the period from the date of debit till rectification.

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 seven working days from the date of reporting of erroneous debit by the customer.

In case, the verification involves a third party, the Bank shall complete the verification process within a maximum period of thirty working days from the date of reporting of erroneous debit by the customer.

The Policy is not applicable for unauthorized electronic banking transactions reported by customers which cannot be attributed to Bank.

### 2. Direct debits including NACH debits / other debits to accounts

The Bank will undertake to carry out direct debit instructions of customers within agreed time. In case of failure to process the debit request within the timelines as agreed, the Bank will arrange to pay compensation as agreed with the customer, on the amount processed with delay. In the event the Bank levies any charge in violation of the arrangement, the Bank will reverse the charges when pointed out by the customer subject to the agreed terms.

**3. Payment of cheques after stop payment instructions**

In case a cheque has been paid after stop payment instruction is acknowledged by Bank, the Bank shall reverse the transaction with a value-date to protect the interest of the customer. Such debits will be reversed within the timelines as agreed and compensation shall be as agreed by the Bank with customer.

**4. Compensation for delay in collection / loss of Local and Outstation Cheques**

The Bank will pay compensation to its customer in case there is delay in giving credit beyond the time period specified in Bank's Cheque Collection Policy. 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.

In the event of loss of instrument after it has been handed over to the Bank for collection, compensation to the customer will be paid as guided by the Bank's Cheque Collection Policy.

**5. Issuance of duplicate demand draft**

Duplicate Demand draft will be issued within the agreed period from the receipt of such request. For delay beyond the agreed timelines, if liable, Bank shall provide compensation as per arrangement with the customer. Any service deficiency at the end of the partner bank is excluded from the scope of this clause.

**6. Foreign Currency Cheque Collection 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. The time norms for return of instruments cleared provisionally also vary from country to country.

However, the Bank will compensate the customer for undue delays in affording credit once proceeds are credited to its nostro account with its correspondent as agreed between the customer and the Bank. 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 processing time, if the delay is caused purely due to the reasons attributable to the Bank. This will be guided by the Bank's cheque collection policy which is also available on the Bank's India website.

**7. Delay in credit or return of RTGS / NEFT transactions**

In terms of the RBI guidelines on affording credits/return of RTGS/NEFT transactions, the Bank undertakes to afford the credits to destination account holders or return the instruction to the remitting bank within the prescribed timeline as applicable.

In cases where it is not possible to afford the credits to the beneficiary account within the prescribed timeline as applicable, the customer will be compensated for the delayed period of credit as per terms agreed between the Bank and the customer.

**8. Delay in credit or return of NACH / IMPS transactions**

In terms of the NPCI and RBI guidelines on affording credits / return of NACH and IMPS transactions, the Bank undertakes to afford the credits to the account holder or return the instruction to the remitting bank within the prescribed timeline.

In cases where it is not possible to afford the credits to the beneficiary account within the prescribed timeline, the customer will be appropriately compensated for the delayed period of credit as per terms agreed between the Bank and the customer.

**9. Delay in credit or reversal of UPI transactions**

In terms of the NPCI and RBI guidelines on affording credits / effecting reversals of UPI transactions on account of non-receipt of confirmation at merchant location, the Bank undertakes to afford the credits to the account holder or reverse the transaction to the benefit of the payer customer, within the prescribed timeline.

In cases where it is not possible to afford the credits to the beneficiary account or effect reversal within the prescribed timeline, the customer will be appropriately compensated for the delayed period of credit as per terms agreed between the Bank and the customer.

#### **10. Delay in credit of foreign inward remittance**

The Bank shall pay or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of credit advice / Nostro statement. On receipt of disposal instruction complying with guidelines and required documents from the beneficiary, the Bank shall transfer funds for the credit of beneficiary's account immediately but not exceeding two business days from date of such receipt.

In cases where it is not possible to afford the credits to the beneficiary account within the prescribed timeline, the customer will be appropriately compensated for the delayed period of credit as per terms agreed between the Bank and the customer.

#### **11. Erroneous debits arising on account of fraudulent or other transactions**

In case of a claim raised by any of the customers, the Bank shall depute staff personnel to investigate the matter and if the Bank is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the Bank will reverse the fraudulent transaction and pay compensation as agreed between the Bank and the customer.

#### **12. Violation of the Code by Bank's agent**

In the event of receipt of any complaint from the customer that the Bank's 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, the Bank shall take appropriate steps to investigate and to handle the complaint and wherever justified to compensate the customer for financial losses, if any, to the extent as determined by Bank.

#### **13. Lenders liability, Commitments to borrowers**

The Bank would return to the borrowers all the securities / documents / title deeds to mortgaged property within 15 days of repayment of all dues agreed to or contracted. The Bank will compensate the borrower due to delay in return of the same as agreed between the customer and the Bank.

#### **14. Trade**

For Trade related transactions where the Bank is convinced that an error or inordinate delay has been committed by its staff, the Bank will pay an appropriate compensation up to the direct loss incurred by the customer, and as specifically required under FEDAI guidelines.

#### **15. 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, epidemics/ pandemics 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.

#### **16. General**

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

Notwithstanding whatever is stated above, the compensation as mutually agreed between the customer and the Bank with respect to the specific error/omission will be final and be binding upon both.