

AEBC 59 Customer Compensation Policy

The objective of this Compensation 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 by 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 the Banking Ombudsman or any other forum for redressal to come down significantly.

1. Unauthorized action of the Bank leading to a financial loss to customer.

The Bank will compensate for any unauthorized actions of the Bank leading to financial loss to the customer. 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 forum duly constituted to adjudicate banker-customer disputes.

2. Erroneous Debits arising out of fraudulent/ other transactions

The liability of the customer arising out of any unauthorised transaction shall be nil if Bank receives the report within 3 working days of the Fraud, Provided the Customer has acted in good faith. If the Fraud is reported beyond 3 working days then the maximum liability of the customer will be limited to INR 1000. Post investigations and confirmation of the fraud, a permanent credit is applied on the customer's account for all fraudulent transactions not done by the customer. The customer's card may be replaced for cases which involve counterfeit cards or where the customer's card number/details may have been compromised.

In the event a customer disputes certain transactions on their statement of accounts or amounts over-charged by a particular merchant or ATM withdrawals (except failed transactions), the same is set up as a disputed transaction where the customer is given an immediate temporary credit. The customer does not need to pay for the disputed transactions till such time the dispute is fully resolved. Basis supports received from the merchants and other investigations, a permanent credit is applied to the customer's account if the disputed transaction is established not to have been incurred by the customer.

3. Compensation Framework for unsuccessful/Failed Transactions

Failed ATM transactions

In line with the RBI circular dated September 20, 2019, Bank will pro-actively reverse failed transactions within a maximum of T + 5 calendar days (T being the date of transaction and refers to the calendar date), failing which a compensation of ₹ 100/- per day (beyond T + 5 calendar days) will be credited to the account holder.

Unsuccessful Card Transactions

In line with the RBI circular dated September 20, 2019, Bank will auto reverse unsuccessful transactions within a maximum of T + 5 calendar days (T being the date of transaction and refers to the calendar date), failing which a compensation of ₹ 100/- per day (beyond T + 5 calendar days) will be credited to the account holder

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
1	Automated Teller Machines (ATMs) including Micro-ATMs		
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 calendar days.	₹ 100/- per day of delay beyond T + 5 calendar days, to the credit of the account holder.
2.	Card Transaction		
a)	Point of Sale (PoS) (Card Present) including Cash at PoS Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5 calendar days.	₹ 100/- per day of delay beyond T + 5 calendar days.
b)	Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system.	Auto-reversal within T + 5 calendar days.	₹ 100/- per day of delay beyond T + 5 calendar days.

The framework is applicable to domestic transactions. (Domestic transactions i.e., those where both the originator and beneficiary are within India are covered under this framework.)

4. Delayed credit to the customer

Incase a complaint is received from the customer on delayed credit to customer accounts for any of the valid reasons, the Bank will pay interest at the prevailing deposit rates of State Bank of India or the prevailing term deposit rates of the AEBC India, whichever is higher. Merits of each case will be reviewed to establish the reason of delayed credits

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5. Violation of Bank's Code by its Agents

It is Bank's commitment to act fairly and ethically in all its customer dealings either directly or through its agents. For this reason the Bank has adopted a Fair Practice Code that governs the conduct of its agents and representatives. In case the Bank receives a customer complaint alleging improper behavior or misconduct by its agent, the Bank shall initiate an investigation and take necessary steps within 7 working days to redress the same. The Bank will also make good the financial loss incurred by the customer on account of the same.

6. Issue of unsolicited cards/Facilities

Unsolicited Cards

The issuance of unsolicited cards/upgradation is strictly prohibited. In case, an unsolicited card is issued/existing card upgraded and activated without the explicit consent of the customer and the latter is billed for the same, the Bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed. In addition, the person in whose name the card is issued can also approach the RBI Ombudsman who would determine the amount of compensation payable by the card-issuer to the recipient of the unsolicited card as per the provisions of the Ombudsman Scheme, i.e., for loss of complainant's time, expenses incurred, harassment and mental anguish suffered by him/her.

Any loss arising out of misuse of such unsolicited cards shall be the responsibility of the Bank only and the person in whose name the card has been issued shall not be held responsible for the same.

Issue of Unsolicited Facilities

Unsolicited loans or other credit facilities shall not be offered to the customer without seeking explicit consent. In case an unsolicited credit facility is extended without the written/explicit consent of the customer and the latter objects to the same, the Banks shall not only withdraw the facility, but also be liable to pay such penalty as may be considered appropriate by the RBI Ombudsman, if approached.

7. Closure of Credit Card

Subsequent to the closure of credit card, the customer shall be immediately notified about the closure. Customers shall be provided option to submit request for closure of credit card account through multiple channels. The Bank shall not insist on sending a closure request through post or any other means which may result in the delay of receipt of the request. Failure on the part of the Bank to complete the process of closure within seven working days shall result in a penalty of ₹500 per calendar day of delay payable to the customer, till the closure of the account provided there is no outstanding in the account.

8. 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), 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.

9. Compensation for delay in Grievance Redressal

Banks shall be liable to compensate the complainant for the loss of his/her time, expenses and/or financial loss as well as for the harassment and mental anguish suffered by him/her for the fault of the Bank and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from the Bank within a maximum period of 30 days from the date of lodging the complaint, he/she will have the option to approach the Office of the concerned RBI Ombudsman for redressal of his/her grievance(s). In case the grievance is not resolved within 30 calendar days from the day of receiving the complaint, then Bank will compensate the Customer basis Rs 100/day of delay.

10. Instances/cases of lost/theft/Misuse of Card or Pin

- (i) Procedure for mode of intimation to Card issuer to be followed in case of loss/theft/misuse of Card. The Cardmember must notify American Express immediately if the Credit Card/Charge Card is lost, stolen, mutilated, not received when due or if they suspect that the Credit Card/Charge Card is being used without their permission. In case of fraudulent dispute(s) raised on a Card in possession of a Cardmember/lost or theft Card, the Cardmember must file immediately a First Information Report (FIR) with the police station nearest to the place of occurrence and file a detailed report with American Express enclosing a copy of the FIR. Based on the FIR and customer consent, a fresh plastic would be issued. If the lost Credit Card/Charge Card is subsequently received, it must not be used. The Replacement Credit Card/Charge Card and subsequent renewals of it must be used instead. The retrieval of the original Credit Card/Charge Card must immediately be reported to American Express, and it must be cut in half and the pieces returned to American Express. American Express, upon Cardmember notification of a lost or stolen Card, will block the Card immediately to stop usage.
- (ii) Provided that the Cardmember has acted in good faith, his liability to American Express arising out of any unauthorized use of the Credit Card shall be nil if American Express receives the report within 3 working days of the fraud. If the fraud is reported beyond 3 working days then the maximum liability of the customer will be limited to ₹1000. The security features adopted and implemented by American Express are of international standards robust enough to protect and safeguard Cardmember data from unauthorised access and are currently a substitute to PCI DSS Certification mandated by the RBI. American Express shall however bear the fraud losses for any suffered by the Cardmembers arising out of American Express not obtaining the PCI DSS Certification.
- (iii) Cardmember should not reveal PIN to anyone, including American Express customer service representatives and merchants. Additionally, Cardmember should not write the PIN down anywhere & should not keep the Card and PIN in the same place, such as a wallet or a purse.
- (iv) Blocking of Card:
 - The Cardmember may call at Bank's 24-hour helpline number or chat through mobile application and can have his/her Card facility blocked immediately. Certain mandatory security checks will follow within a reasonable period defined in our policies.
 - Once a Card is blocked, it shall not be valid for further use with immediate effect, and any transaction including but not limited to recurring transactions/standing instruction on the Card will be declined. If the Card is blocked, kindly cut the Card in your possession and dispose of it judiciously. Additionally, please take appropriate steps to cancel any standing instructions that you may have opted for on such Card.

(v) Bank will pay a compensation of INR 100 per day for Delay in Blocking of lost or stolen cards.

11. Compensation for delay in release of amounts held under IDLC or return of Bank guarantee (BG) documents to BG Issuing Bank

Upon closure of the Corporate Card Account, American Express Banking Corp. shall release the amounts held under IDLC to the customer or return the original BG documents to the BG issuing branch/bank within 30 days of the said closure. In case of delay in releasing the amounts under IDLC or returning the original BG documents to the BG issuing branch/bank beyond 30 days of closure, American Express Banking Corp. will compensate the customer at the rate of Rs. 5000/- per each day of delay as per RBI circular RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 issued on 13th September 2023. The release of said amounts under IDLC or BG documents shall be subject to the realization of the entire outstanding dues/payments by American Express Banking Corp. against the said Corporate Card Account.

In case of loss of original BG documents by American Express Banking Corp., either in part or in full, the Bank shall assist the customer in obtaining duplicate/certified copies of the BG documents as per the process mandated by the BG issuing bank and shall bear the associated costs, if any, in addition to paying compensation of Rs 5000/- for each day of delay. However, in such cases, an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days). The compensation provided under these directions shall be without prejudice to the rights of a customer to get any other compensation as per any applicable law.

The release of amounts under IDLC or BG documents shall be without prejudice to the American Express Banking Corporation's option to exercise its Right of General Lien and directions of Court, Tribunal, or other Law Enforcement Agencies, etc.

12.Compensation Framework to Customers for Delayed Updation/Rectification of Credit Information

Complainants shall be entitled to a compensation of ₹100 per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with the Bank. The Bank shall pay compensation to the complainant in case of failure to send updated credit information to the Credit Information Companies (CICs) by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC. Compensation to be provided by the CICs/Bank to the complainant (for delayed resolution beyond thirty (30) calendar days of filing the complaint) shall be apportioned among the CIs/ CICs concerned proportionately.

Where the complaint has been received and registered by a CIC and there has been a delay in the resolution of the complaint, the CIC shall inform the concerned Bank and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC.

Where the complaint has been received and registered by the Bank and there has been a delay in the resolution of the complaint, the Bank shall inform the concerned CIC(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the Bank and/ or CIC(s). The compensation amount shall be credited to the bank account or credit card account (In accordance with the customer preference provided in the complaint form) of the complainant within five (5) working days of the resolution of the complaint.

The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme,

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2021, in case of wrongful denial of compensation by the Bank or CICs.

The compensation framework shall not be applicable in the following cases:

- (i) disputes for which remedy has been provided under Section 18 of CICRA, 2005. The Section 18 of CICRA, 2005 provides that for disputes arising amongst, CICs, Bank, borrowers, and clients on matters relating to the business of credit information and for which no remedy has been provided under CICRA,2005, such disputes shall be settled by conciliation or arbitration as provided in the Arbitration and Conciliation Act, 1996.
- (ii) complaints/ references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff, and (d) references in the nature of suggestions and commercial decisions of the CIC/Bank.
- (iii) complaints pertaining to disputes/grievances regarding the computation of the credit score/credit score model.
- (iv) complaints that have been decided by or are already pending in other forums such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.