



Customer Compensation Policy

OF

HDB FINANCIAL SERVICES LIMITED

**Centralised Operations
July 12, 2024**

Introduction

HDB Financial Services (“HDBFS” or the “Company”) offer high levels of service to our customers. In the event, for some reason beyond our control or inadvertently, we are unable to meet the service levels committed by us in our dealings with customers, compensation will be payable to customers in line with this policy.

The policy is based on principles of transparency and fairness in the treatment of customers. The objective of this policy is to compensate the customer for direct financial loss, as detailed in this policy, which the customer may incur in cases where the Company does not meet the service levels committed by it. The compensation amount, if paid, may be paid by crediting the customer’s loan account held with the Company or account held by the customer with another Bank.

The Company’s compensation policy is designed to cover the following aspects:

- A. Delay in return of original security documents and title deeds
- B. Delays in update/ rectification of credit information

A. Delay in release of Movable / Immovable Property Documents

1. The Company shall release all the original movable/immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account. The borrower would need to visit our Branch for collecting the original title documents. If any right to set off is to be exercised for any other claim, the Company will give due notice with full particulars about the other claims and retain the securities/ documents/title to mortgaged property till the relevant claim is settled/paid.
2. In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
3. In case of loss/damage to original movable/immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated in paragraph 2 above. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure and the delayed period compensation will be calculated thereafter (i.e., after a total period of 60 days).

B. Delays in update/ rectification of credit information

Any request for update/ rectification of credit information to be resolved within 30 calendar days from the date of the initial filing of the complaint with the Credit Institutions (CI) / Credit Information Company (CIC). Failure on the part of the CI/CIC to complete the process within 30 calendar days, shall result in a penalty of Rs 100 per calendar day till the date of fulfilment. In effect, this would mean that a CI would get (21) days and CICs would effectively get the remainder of (9) days for complete resolution of the complaint. Applicable compensation shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.

Compensation to Customers for Delayed Updation / Rectification of Credit Information

As per RBI Circular ref : DoR.FIN.REC.48/20.16.003/2023-24 dated 26 Oct 2023 on subject "Framework for Compensation to Customers for Delayed Updation / Rectification of Credit Information" & Ref : DoR.FIN.REC.49/20.16.003/2023-24 dated 26 Oct 2023 with subject "Strengthening of Customer Service Rendered by Credit Information Companies and Credit Institutions", the Credit Institutions (CI) and credit information companies (CICs) is required to have a compensation mechanism for delayed updation/rectification of credit information.

The following policy is being adopted:

1. In case of delay in resolution of a complaint pertaining to updation/rectification of credit information, the complainant 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 Company/CIC.
2. The Company shall pay compensation to the complainant, if the Company has failed to send updated credit information to the 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.
3. A CIC shall pay compensation to the complainant, if the CIC has failed to resolve the complaint within thirty (30) calendar days of being informed by the complainant or Company, despite the Company having furnished the updated credit information to the CIC within twenty-one (21) calendar days of being informed by the complainant or the CIC.
4. The complainant shall be advised by the Company/ CIC of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by the Company and CIC.
5. Compensation to be provided by the CIC/ Company to the complainant (for delayed resolution beyond (30) calendar days of filing the complaint) shall be apportioned among the Company/ CIC concerned proportionately.
6. Where the complaint has been received and registered by the Company and there has been a delay in the resolution of the complaint, the Company 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 Company and/or CIC(s).
7. The date of the resolution of the grievance shall be the date when the rectified Credit Information Report (CIR) has been sent by the CIC to the postal address or email ID provided by the complainant.

8. The onus of providing accurate details will lie with the complainant and the Company will not be held responsible for any incorrect information provided by the complainant.
9. The compensation amount shall be credited to the nominated bank account of the complainant within five (5) working days of the resolution of the complaint.
10. The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by Company or CICs.

Non-Maintainability: 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, CIs, 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/Company.
- 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 fora such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.

General

The Company shall not be liable for any loss of or any indirect or consequential loss, damages or expenses. The Company shall not be liable for any opportunity loss or damages/claims pertaining to reputation loss. Acceptance of the compensation under this policy shall be full and settlement of all issues arising out of grievances for which compensation is granted and the customer agrees that he/she would not raise any fresh claim or dispute on the same issue before any court or forum. The Company will communicate the Company's final stance to the customer by email, letter or call on recorded phone line.

Force Majeure

The Company shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, lockdown, strike or other labour disturbances, accidents, fires, natural disasters or other " Acts of God", war, damage to the Company's facilities or of its correspondent Company (s)), absence of the usual means of communication or all types of transportation etc beyond the control of the Company prevents it from performing its obligations within the specified service delivery parameters.