

MANAPPURAM FINANCE LIMITED (MAFIL)
(As approved by the Board on 18th May 2022)

Customer Protection Policy –
Manappuram Finance Ltd: Pre-Paid Payment Instrument

Document Version History

Version	Date	Note
1.0	16-01-2019	First Released Version
1.1	13-03-2021	Add: Customer Awareness
1.2	18-05-2022	Add: Customer protection and grievance redressal framework

Objective:

This document seeks to communicate in a fair and transparent manner the Manappuram Finance Ltd (MAFIL) policy on:

- a) Customer protection (including mechanism of creating customer awareness on the risks and responsibilities involved in electronic payment transactions in Prepaid Payment Instruments (PPIs)
- b) Customer liability in cases of unauthorized electronic payment transactions in Prepaid Payment Instruments.
- c) Customer compensation due to unauthorized electronic payment transactions in Prepaid Payment Instruments (within defined timelines).

Points covered under the policy:

Customer shall be compensated in line with this policy in case of loss occurring due to unauthorized transaction as follows:

- a) Zero Liability of customer
 - i) Customer shall be entitled to full compensation of real loss in the event of contributory fraud/gross negligence/ deficiency on the part of the PPI issuer (irrespective of whether or not the transaction is reported by the customer).
 - ii) Customer has Zero Liability in all cases of third-party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system and the customer notifies the PPI issuer within **three days** of receiving the communication from the PPI issuer regarding the unauthorized transaction.
- b) Limited Liability of customer
 - i) Liability in case of financial losses due to unauthorized electronic transactions where responsibility for such transaction lies neither with the PPI issuer nor with the customer, but lies elsewhere in the system AND
 - ii) there is a delay on the part of customer in notifying/reporting to the PPI issuer beyond 3 days and less than or equal to 7 days (after receiving the intimation from the PPI issuer), the liability of the customer per transaction shall be limited to transaction value or amounts mentioned in Annexure -1 whichever is lower.

c) Complete Liability of customer

i) In cases where the loss is due to gross negligence by a customer, such as where he /she has shared the payment credentials; the customer will bear the entire loss until he / she reports the unauthorized transaction to the PPI issuer. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the PPI issuer

ii) In cases where the responsibility for unauthorized electronic payment transaction lies neither with the PPI issuer nor with the customer, but lies elsewhere in the system and when there is a delay on the part of the customer in reporting to the PPI issuer beyond 7 days, the customer would be completely liable for all such transactions

d) Other Points

i) The PPI issuer shall allow credit to the customer account within 10 days from the date of reporting in all cases as per above statements. Within 90 days of date of reporting, the PPI issuer shall either establish customer gross negligence or provide final credit to customer. Customer will be given value dated credit (based on date of unauthorized transaction) when customer becomes eligible to be compensated.

ii) Customer would not be entitled to compensation of loss if any, in case customer does not agree to get the PPI hot-listed or does not cooperate with the PPI issuer by providing necessary documents including but not limited to police complaint and dispute form.

iii) Compensation would be limited to real loss after deduction of reversals or recoveries received by the customer.

Third Party Breach

The following would be considered as Third-party breach where deficiency lies neither with the PPI issuer nor customer but elsewhere in the system:

- a) Application frauds
- b) Account takeover
- c) Skimming / cloning
- d) External frauds / compromise of other systems

Rights & Obligations of the Customer

a) Customer is entitled to,

- i) SMS alerts on valid registered mobile number for all financial payment transactions
- ii) Email alerts where valid email Id is registered for alerts with the PPI issuer.
- iii) Intimation at valid registered email/ mobile number with complaint number and date & time of complaint
- iv) Receive compensation in line with this policy document where applicable. This would include getting credit within 10 days from reporting date and final credit within 90 days of reporting date subject to customer fulfilling obligations detailed herein and with customer liability being limited as specified in Annexure-I

b) Customer is bound by following obligations with respect to payment activities:

- i) Customer shall mandatorily register valid mobile number with the PPI issuer.
- ii) Customer shall regularly update his /her registered contact details as soon as such details are changed. PPI issuer will only reach out to customer at the last known email/ mobile number. Any failure of customer to update the PPI issuer with changes shall be considered as customer gross negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability.
- iii) Customer should provide all necessary documentation –customer dispute form, proof of transaction success/ failure and should also file a police complaint and provide copy of the same to the PPI issuer.
- iv) Customer should co-operate with the PPI issuers investigating authorities and provide all assistance.
- v) Customer must not share sensitive information (such as Wallet number & MPIN, Digital wallet Id & password, OTP, etc) with any entity, including PPI issuers staff.

- vi) Customer shall go through various instructions and awareness communication sent by the PPI issuer on secured payments.
- vii) Customer must set transaction limits to ensure minimized exposure.
- viii) Customer must verify transaction details from time to time in his/her wallet statement and raise query with the PPI issuer as soon as possible in case of any mismatch.

Notifying the PPI issuer of the unauthorized transaction:

- a) Customer shall report unauthorized transaction to the PPI issuer at the earliest, with basic details such as PPI number, date & time of transaction and amount of transaction.
- b) Customer shall follow PPI issuers reporting process viz.
 - i. Lodge police complaint and maintain copy of the same and furnish police complaint when sought by PPI issuers authorized personnel.
- c) Customer shall authorize the PPI issuer to block the PPI instrument to reduce likelihood of additional loss
- d) Fully co-operate and comply with PPI issuers reasonable requirements towards investigation and provide details of transaction, customer presence, etc

Customer protection and grievance redressal framework

PPI issuer shall disclose all important terms and conditions in clear and simple language (preferably in English, Hindi and the local language) to the holders while issuing the instruments. These disclosures shall include:

- a. All charges and fees associated with the use of the instrument; and
- b. The expiry period and the terms and conditions pertaining to expiration of the instrument.

PPI issuer shall put in place a formal, publicly disclosed customer grievance redressal framework, including designating a nodal officer to handle the customer complaints / grievances, the escalation matrix and turn-around-times for complaint resolution. The complaint facility, if made available on website / mobile, shall be clear and easily accessible. The framework shall include, at the minimum, the following:

- a. PPI issuer shall disseminate the information of customer protection and grievance redressal policy in simple language (preferably in English, Hindi and the local language).
- b. PPI issuer shall clearly indicate the customer care contact details, including details of nodal officials for grievance redressal (telephone numbers, email address, postal address, etc.) on website, mobile wallet apps, and cards.
- c. PPI issuer's agents shall display proper signage of the PPI Issuer and the customer care contact details as at (b) above.
- d. PPI issuer shall provide specific complaint numbers for the complaints lodged along with the facility to track the status of the complaint by the customer.
- e. PPI issuer shall initiate action to resolve any customer complaint / grievance expeditiously, preferably within 48 hours and endeavour to resolve the same not later than 30 days from the date of receipt of such complaint / grievance.
- f. PPI issuer shall display the detailed list of its authorised / designated agents (name, agent ID, address, contact details, etc.) on the website / mobile app.

PPI issuer shall provide an option for the PPI holders to generate / receive account statements for at least past 6 months. The account statement shall, at the minimum, provide details such as date of transaction, debit / credit amount, net balance and description of transaction. Additionally, the PPI issuer shall provide transaction history for at least 10 transactions.

Detailed procedures for redressal of customer grievances are enumerated in the Customer Protection and Customer Grievance & redressal Policy.

Reporting and Monitoring

Non-bank PPI issuer shall report regarding the receipt of complaints and action taken on a Quarterly basis by the 10th of the following month to the respective Regional Office of DPSS, RBI.

The PPI issuers shall report the customer liability cases to the Board or one of its Committees. The reporting shall, inter-alia, include volume / number of cases and the aggregate value involved and distribution across various categories of cases. The Board or one of its Committees shall review the unauthorized electronic payment transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redressal mechanism and take appropriate measures to improve the systems and procedures.

Business Head, nodal officer is responsible for maintaining records of the customer liability cases and presenting report to the Board. Details of customer liability cases shall be reported to Senior Management on monthly basis. All the unauthorized electronic transactions shall be reviewed by Internal Audit and report shall be placed to Senior Management and Audit Committee.

Customer Awareness

Considering the increasing number of risks and frauds related to money laundering especially as the business moves into an advanced technological platform, the company shall do the needful to ensure that the Customer be made aware and updated about such risks and frauds. This may be done in the form of regular communications, electronic or otherwise, in the nature of emails, SMSs, pop-ups in web/app etc. CRM dept as well as the business divisions shall coordinate in this exercise and reports may be placed before the management as and when called for.

Annexure -1

Unauthorized payment Transaction due to PPI issuers negligence		
Time taken to report the fraudulent transaction from the date of receiving communication from the PPI issuer	Customer's Maximum Liability (Rs.)	
Customer to report as soon as possible to prevent future losses	Zero Liability	
Unauthorized Transaction due to Customer's negligence		
Time taken to report the fraudulent transaction from the date of receiving communication from the PPI issuer	Customer's Maximum Liability (Rs.)	
Customer to report as soon as possible to prevent future losses	100% liability till it is reported to PPI issuer	
Maximum Liability of a Customer in case of unauthorized Electronic payment Transaction where Responsibility is neither with the PPI issuer nor with the customer but lies elsewhere in the system & customer has reported unauthorized transaction from transaction date within days specified in following table:		
	Within 3 days (Rs.)	Within 4 to 7 days (Rs.)
Customer Liability	Zero Liability	10000

#The number of days mentioned above shall be counted excluding the date of receiving the communication from the PPI issuer.

Any unauthorized electronic payment transaction reported after 7 days will be treated as 100% customer liability.