

MANAPPURAM FINANCE LIMITED (MAFIL)
(As approved by the Board on 6th February 2019)

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

Document Version History

Version	Date	Note
1.0	16-01-2019	First Released Version

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/ 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 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 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 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

Reporting and Monitoring

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.

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.