

Muthoot Vehicle and Asset Finance Limited

Customer Protection Policy

(Customer Liability In Case Of Unauthorised PPI Transactions)

Introduction:

Muthoot Vehicle and Asset Finance Ltd (MVFL) is authorised by the Reserve Bank of India (RBI) to operate a Payment System. It is governed by the Payment and Settlement Systems Act, 2007 ("the PSS Act"), Regulations made there under and the Issuance and Operation of Prepaid Payment Instruments in India (Reserve Bank) Directions, 2017 ("the RBI Guidelines") laid down by the RBI. Under this authorisation, MVFL issues Muthoot Money card which is a virtual wallet (known as "Muthoot Money") as a payment option alternative to cash for large segment of population in the country who do not have access to the regular banking channel or who require assistance in transferring funds. It is a financial instrument which can be reloaded up to the maximum stipulated amount for subsequent use as per the holder's convenience and funds loaded on to the wallet can only be transferred to another bank account through IMPS. MVFL offers safe and easy fund transfer option to every customer to a beneficiary account as per customer requirement and transfers are permitted only if the wallet satisfies the criteria's laid by RBI as per the Master Direction. MVFL has entered into software support agreement with GI Technology who is the technology partner and GI Technology has invested in technology with robust security systems and fraud detection and preventions mechanisms. With the increasing thrust on financial inclusion and customer protection, the Reserve Bank of India had issued a circular on Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions. (RBI/2018-19/101 DPSS.CO.PD.No.1417/02.14.006/2018-19 dated January 04, 2019) which, inter-alia, requires PPI Issuers to formulate a Board approved policy in regard to customer protection and compensation in case of unauthorized PPI transactions, if eligible.

Objective:

This policy seeks to communicate in a fair and transparent manner the MVFL policy on:

- a) Customer protection (including mechanism of creating customer awareness on the risks and responsibilities involved in PPI transactions),
- b) Customer liability in cases of unauthorized PPI transactions
- c) Customer compensation due to unauthorized PPI transactions (within defined timelines), if eligible.

Scope:-

Electronic financial transactions usually cover transactions through the below modes:

- a. Remote / online payment transactions [transactions that do not require physical payment instruments to be presented at the point of transactions, e.g., internet banking, mobile banking, card not present (CNP) transactions, Pre-paid Payment Instruments (PPI), etc.]
- b. Face-to-face / proximity payment transactions (transactions which require the physical payment instrument such as a card or mobile phone to be present at the point of transaction e.g., ATM, POS, etc.)
- c. Any other electronic modes of credit effected from one entity to another currently being used or adopted from time to time

This policy covers transactions only through Semi-closed prepaid payment instrument (Virtual Wallet) business. The policy excludes PPI transactions effected on account of error by a customer.

Applicability:

1. This policy is applicable to individuals who hold Muthoot Money wallet.
2. Number of days will be computed based on MVFL working days.
3. Mode of reporting will be the <http://mvafl.com/index.php/customer-grievance> through which customer complaint is received first time by the MVFL, independent of multiple reporting of the same unauthorized transaction.
4. Unauthorized transaction is defined as debit to customer's account without customer's consent.
5. Consent includes authorization of a transaction debit either through additional authentication required by MVFL such as use of security passwords, input of dynamic password (OTP) or any other electronic authentication option provided by MVFL.

Force Majeure

MVFL 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 labor disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to MVFL facilities or of its agents, absence of the usual means of communication or all types of transportation, etc., beyond the control of MVFL prevents it from performing its obligations within the specified service delivery parameters.

Limited Liability of a Customer**(a) Zero Liability of a Customer**

A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- i. Contributory fraud / negligence / deficiency on the part of MVFL (irrespective of whether or not the transaction is reported by the customer).
- ii. Third party breach where the deficiency lies neither with MVFL nor with the customer but lies elsewhere in the system, and the customer notifies MVFL **within three working days** of receiving the communication from MVFL regarding the unauthorized transaction.

(b) Limited Liability of a Customer

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

- 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 MVFL. Any loss occurring after the reporting of the unauthorized transaction shall be borne by MVFL.
- ii. In cases where the responsibility for the unauthorized PPI transaction lies neither with MVFL nor with the customer, but lies elsewhere in the system and when there is a delay (of **four to seven working days** after receiving the communication from MVFL) on the part of the customer in notifying MVFL of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Annexure-I, whichever is lower.

Roles and responsibility of the MVFL

- i. Provide customers with 24x7 access through multiple channels (at a minimum, via website, e-mail, a toll-free helpline) for reporting unauthorized transactions that have taken place and/ or loss or theft of payment instrument such as card, etc.
- ii. A direct link for lodging the complaints, with specific option to report unauthorized electronic transactions will be provided by www.mvaf1.com on home page of the website.
- iii. The loss/ fraud reporting system shall also ensure that immediate response is sent to the customers acknowledging the complaint along with the registered complaint number.
- iv. The communication systems used by MVFL to send alerts and receive their responses there to must record the time and date of delivery of the message and receipt of customer's response, if any, to them. This shall be important in determining the extent of a customer's liability.
- v. During investigation, in case it is detected that the customer has falsely claimed or disputed a valid transactions, the MVFL reserves its right to take due preventive action of the same including closing the account or blocking card limits
- vi. This policy should be read in conjunction with Grievance Redressal Policy. The policy is available on the following link: <http://mvaf1.com/index.php/muthoot/services?p = domestic money-transfer>.

Annexure-I

Unauthorized transaction – Extent of Liability of Customer / MVFL

Unauthorized transaction due to MVFLs fault: Contributory fraud / negligence / deficiency on the part of MVFL (irrespective of whether or not the transaction is reported by the customer)		Liability of a Customer: Zero
Unauthorized transaction due to fault neither of MVFL nor customer: Third party breach where the deficiency lies neither with MVFL nor with the customer but lies elsewhere in the system	If reported by customer:	
	(i) Within 3 working days:	Liability of a Customer: Zero
	(ii) Within 4 to 7 working days:	Liability of a Customer: The transaction value or Rs.10, 000 (applicable to PPI), whichever is lower
	(iii) Beyond 7 working days:	Liability of a Customer will be treated as 100%
Unauthorized transaction due to Customer's fault: In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials	(i) Until the customer reports the unauthorized transaction to MVFL.	Liability of a Customer: 100%
	(ii) After reporting the unauthorized transaction to MVFL, wallet will be blocked permanently.	Liability of a Customer: Zero Liability of MVFL: 100% (Any loss occurring after the Reporting of the unauthorized transaction shall be borne by MVFL)