प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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August 11, 2016

**RBI seeks Comments on Draft Circular on Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions**

The Reserve Bank of India has today placed on its website the Draft Circular on “Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions”, for feedback. Suggestions/comments, if any, on the Draft Circular may be sent by post to the Chief General Manager, Department of Banking Regulation, Reserve Bank of India, Central Office, 12th Floor, Shahid Bhagat Singh Marg, Mumbai-400 001, or Please click here to send email on or before August 31, 2016.

The highlights of the draft circular are:

1) Where customer’s own involvement is established, customer will be liable.
2) Customer will not be liable:

   a) Where fraud/negligence is on the part of the bank;

   b) Third party breach where the customer notifies the bank within three working days of receiving communication from the bank regarding unauthorized transaction.

3) Where customer’s own involvement is not clearly established, customer liability will be limited to a maximum of ₹ 5000/- if he reports within 4 to 7 working days.
4) If customer reports beyond 7 working days, customer liability will be determined based on bank’s Board approved policy.

**Background**

The recent surge in customer grievances relating to unauthorised electronic banking transactions resulting in debits to their accounts/cards, has necessitated a review of the criteria for determining the customer liability in these circumstances.

**Alpana Killawala**
Principal Adviser

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