



**Customer Protection Policy
(Unauthorized Electronic Payment Transactions)**

1) Introduction:

Mpurse Services Private Limited (hereinafter referred as “Mpurse”) is committed to provide superior and safe customer service experience to all its customers. In order to enable the above, Mpurse has over the years invested in technology and has robust security systems and fraud detection and preventions mechanisms in place to ensure safe and secure payments experience to its customers. As entailed in the Citizen’s charter, Mpurse already has in place policies such as Privacy Policy.

Keeping in mind the increasing thrust on financial inclusion & customer protection, the Reserve Bank of India had issued a circular on Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Payment Transactions. (RBI/2018-19/101 DPSS.CO.PD.No.1417/02.14.006/2018 – 19 dated January 04, 2019) which inter-alia requires Non Banks Prepaid Payment Instrument Issuers to formulate a Board approved policy in regard to customer protection and compensation in case of unauthorized electronic payment transactions

2) Objective:

This policy seeks to communicate in a fair and transparent manner Mpurse’s policy on:

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

3) Scope:

The electronic payment transactions can be broadly divided into two categories:

3.1 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), and

3.2 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.

4) Applicability:

- a) This policy is applicable to entities that hold relationship with Mpurse viz.:
 - i) Individual and non-individual customers who hold current or savings account.
 - ii) Individual / non-individual entities that hold credit card and/or prepaid card.
 - iii) Individual / non-individual entities that use other electronic platforms of Mpurse like wallet.

b) This policy is not applicable to:

- i) Non-Customer that use Bank's infrastructure e.g. ATMs etc.
- ii) Entities that are part of the ecosystem such as Interchange organisations, Franchises, Intermediaries, Agencies, Service partners, Vendors, Merchants etc.

5) Liability of the Customer:

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

5.1 Zero Liability of a Customer:

5.1.1 Customer shall be entitled to full compensation of real loss in the event of contributory fraud/ negligence/ deficiency on the part of Mpurse (irrespective of whether or not the transaction is reported by the customer).

5.1.2 Customer has Zero Liability in all cases of third party breach where the deficiency lies neither with Mpurse nor with the customer but lies elsewhere in the system and the customer notifies Mpurse within three working days of receiving the communication from Mpurse regarding the unauthorised transaction.

5.2 Limited Liability of customer:

5.2.1 In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the Mpurse. Any loss occurring after the reporting of the unauthorized transaction shall be borne by Mpurse.

5.2.2 In cases where the responsibility for the unauthorized electronic payment transaction lies neither with Mpurse nor with the customer, but lies elsewhere in the system and there is a delay on the part of customer in notifying/reporting to the Mpurse beyond 3 working days and less than or equal to 7 working days (after receiving the intimation from Mpurse), the liability of the customer per transaction shall be limited to transaction value or amounts mentioned in Annexure -1 whichever is lower.

5.3 Complete Liability of customer:

5.3.1 Customer shall bear the entire loss in cases where the loss is due to negligence by the customer, e.g. where the customer has shared the payment credentials or Account/Transaction details, viz. Mpurse user Id & PIN, OTP or due to improper protection on customer devices like laptop/ desktop leading to malware/Trojan or Phishing attack.

Under such situations, the customer will bear the entire loss until the customer reports unauthorised transaction to Mpurse. Any loss occurring after reporting of unauthorised transaction shall be borne by Mpurse.

5.3.2 In cases where the responsibility for unauthorized electronic payment transaction lies neither with Mpurse 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 Mpurse beyond 7 working days, the customer would be completely liable for all such transactions.

6) Reversal Time line for Zero Liability/ Limited Liability of customer

6.1 Mpurse shall credit (shadow reversal) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer.

6.2 Within 90 days of the date of reporting, Mpurse shall either establish customer negligence or provide final credit to the customer. In case Mpurse is unable to resolve the complaint or determine customer liability, if any, within 90 days, the amount as prescribed in clause 5.2 above shall be paid to customer, irrespective of whether negligence is on Your part or otherwise.

6.3 Mpurse may, at its discretion, agree to credit the customer even in case of an established negligence by the customer.

6.4 Customer would not be entitled to compensation of loss if any, in case customer does not agree to cooperate with the mpurse by providing necessary documents, as requested, including the police complaint etc.

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

7) Third Party Breach

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

- a) Application frauds
- b) Account takeover
- c) Skimming / cloning
- d) External frauds / compromise of other systems, for e.g. ATMs / mail servers etc. being compromised

8) Roles & Responsibilities of Mpurse:

- a) Mpurse shall ensure that the Customer protection policy is available on Mpurse's website/mobile App for the reference by customers.
- b) Mpurse shall also ensure that existing customers are individually informed about Mpurse's policy.
- c) Mpurse will regularly conduct awareness on carrying out safe electronic payment transactions to its customers and staff. Such information will include rights and obligation of the customers as well as non-disclosure of sensitive information e.g. password, PIN, OTP, date of birth, etc

- d) Mpurse shall communicate to its customers to mandatorily register for SMS alerts. Mpurse will send SMS alerts to all valid registered mobile number for all debit electronic payment transactions. Mpurse may also send alert by email where email Id has been registered with Mpurse.
- e) For reporting of unauthorized transactions, the customers may refer to the “Customer Grievance Redressal Mechanism” of the Customer
- f) Mpurse shall respond to customer’s notification of unauthorized electronic payment transaction with acknowledgment specifying the date and time of receipt of customer’s notification.
- g) On receipt of customer’s notification, Mpurse will take immediate steps to prevent further unauthorized electronic payment transactions in the account..
- h) Mpurse shall ensure that all such complaints are resolved and liability of customer if any, established within a maximum of 90 days from the date of receipt of complaint, failing which, Mpurse would pay compensation as described in Annexure 1.

9) Roles & Obligations of the Customer:

- a) Customer shall mandatorily register valid mobile number with Mpurse where he/she will get an alert for all financial electronic debit transactions.
- b) Customer shall regularly update his/her registered contact details as soon as such details are changed. Any failure of customer to update Mpurse with changes shall be considered as customer negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability.
- c) Customer should co-operate with the Mpurse’s investigating authorities and provide all the necessary documentation i.e. proof of transaction success/ failure etc. and should also file a police complaint and provide copy of the same to Mpurse.
- d) Customer must not share sensitive information (such as Mpurse User Id & password, OTP etc.) with anyone, including Mpurse staff.
- e) Customer must protect his/her device (Laptop/Desktop etc.) as per the best practices, including updation of latest anti-virus software on the device.
- f) Customer shall go through various instructions and awareness communication sent by Mpurse on secured payments i.e. through SMS/emails etc.
- g) Customer must verify transaction details from time to time in his/her PPI statement and raise query with Mpurse as soon as possible in case of any mismatch.

10) Force Majeure: Mpurse 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 labour disturbances, accident, fires, natural disasters or other “Acts of God”, war, damage to Mpurse’s facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc beyond the control of Mpurse prevents it from performing its obligations within the specified service delivery parameters.

Annexure -1

Unauthorised Transaction due to Mpurse’s negligence	
Time taken to report the fraudulent transaction from the date of receiving communication from Mpurse	Customer’s Maximum Liability (Rs.)
Customer to report as soon as possible to prevent future losses	Zero Liability
Unauthorised Transaction due to Customer’s negligence	
Time taken to report the fraudulent transaction from the date of receiving communication from Mpurse	Customer’s Maximum Liability (Rs.)
Customer to report as soon as possible to prevent future losses	100% liability till it is reported to Mpurse

Maximum Liability of a Customer in case of unauthorized electronic transaction where responsibility is neither with Mpurse nor with the customer but lies elsewhere in the system & customer has reported unauthorized transaction from transaction date within working days specified in following table:		
Type of Account	Within 3 working days (Rs.)	Within 4 to 7 working days (Rs.)
Pre-paid Payment Instruments	Zero Liability	The transaction value or INR 10,000/- per transaction whichever is lower

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