

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
CHANDIGARH DISTRICT COMMISSION
CONSUMER COMPLAINT NO. DC/AB1/44/CC/359/2023**

SANJEEV KUMAR SHARMA

PRESENT ADDRESS - H.N. 2038-1 SECTOR 45-CCHANDIGARH,CHANDIGARH.

.....Complainant(s)

Versus

STATE BANK OF INDIA

PRESENT ADDRESS - STATE BANK OF INDIA HIGH COURT BRANCH

CHANDIGARHCHANDIGARH,CHANDIGARH.

.....Opposite Party(s)

BEFORE:

AMRINDER SINGH SIDHU , PRESIDENT

BRIJ MOHAN SHARMA , MEMBER

FOR THE COMPLAINANT:

FOR THE OPPOSITE PARTY:

DATED: 11/11/2025

ORDER

DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION-II, U.T. CHANDIGARH

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Consumer Complaint No : 359 of 2023

Date of Institution : 19.07.2023

Date of Decision : 11.11.2025

Sanjeev Kumar Sharma son of Sh.Sukhdev Sharma, aged about 46 years,
resident of 2038/1, Sector 45-C, Chandigarh.

... .. Complainant

Versus

1. State Bank of India, High Court Branch, Chandigarh through its Branch Manager (email id: 50306@sbi.co.in & Mobile No.01722740745).
2. Reserve Bank of India, Sector 17, Chandigarh through its Manager (email id: crpc@rbi.org.in & 01722721109) (**Complainant qua OP No.2 dismissed as withdrawn vide order dated 21.10.2024**)

... .. Opposite Parties

BEFORE: MR.AMRINDER SINGH SIDHU, PRESIDENT

MR.B.M.SHARMA, MEMBER

Argued by: Sh.Ranbir Singh Rawat, Counsel for Complainant.

Sh.Vishal Gupta, Counsel for OP No.1 (on VC).

Complaint qua OP No.2 dismissed as withdrawn vide order dated 21.10.2024.

ORDER BY AMRINDER SINGH SIDHU, M.A.(Eng.),LLM,PRESIDENT

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1] The complainant has filed the present complaint pleading that he is resident of Chandigarh and having Saving Account Number 55024577153 with the OP No.1 State Bank of India, Sector 1, High Court Branch, Chandigarh. On 21.07.2021 at about 2.50 PM, the complainant received messages on his mobile phone that an amount of Rs.25,060/-, Rs.25060/-, Rs.25,060/-, Rs.24,560/- and Rs.200/- have been withdrawn from his account

number being maintained by the OP No.1. Copy of transaction details has been annexed with the complaint as Annexure C-1. It is stated that a day before this fraudulently withdrawal, a wrong parcel was delivered to the complainant and to collect the parcel a delivery boy came to the complainant who collected the parcel and asked about the account details for refund of the money which was paid by the complainant for this parcel, however, when he asked about the pin than the complainant flatly refused to him and thereafter the delivery boy went away without taking the account details. On the next day, the aforesaid illegal transactions were happened.

It is pleaded that the complainant immediately got blocked his account as well as his mobile number and informed the concerned bank within two hours on the same day submitted a complaint (Annexure C-2) to Police/Cyber Cell, Sector 9, Chandigarh. A written complaint/letter dated 22.07.2021 (Annexure C-3) was also submitted to the OP No.1 regarding the unauthorized withdrawal and for reimbursement of the same. The complainant also submitted request letter/complaint dated 22.07.2021 (Annexure C-4) to OP No.2.

The complainant received a letter dated 09.12.2021 (Annexure C-5) issued by OP No.2 whereby it was informed that his complaint regarding illegally withdrawn of the money has been registered and complaint number was given. It was also informed that his complaint will be examined under the maintainability under the integrated ombudsman scheme 2021 and action taken in the complaint would be advised in due course. The OP No.1 informed the complainant that his request has been proceeded further and after approval from the head office his amount illegally withdrawn would be

refunded within 15 days. When after making so many visits and requests no satisfactory answer was received from the OPs, a reminder/letter dated 09.02.2022 (Annexure C-6) was submitted by the complainant to the OP No.1 but neither any reply nor the amount illegally withdrawn has been refunded to the complainant by the OPs.

It is pleaded that the loss was not occurred due to the fault of the complainant as neither any Pin nor any OTP for the amount was shared by the complainant. The amount of Rs.99,940/- was illegally withdrawn from the account of the complainant without his consent. The OPs are bound to keep the money safe deposited by the customer to their account but they failed to do so. Alleging the aforesaid act of OPs amounts to deficiency in service and unfair trade practice on their part. Hence, the present consumer complaint has been filed by the complainant with a prayer to direct the OPs to refund the amount of Rs.99,940/- alongwith interest and compensation of Rs.1,00,000/- for mental agony & harassment.

2] The OP No.1 in its written version has stated that the amount of Rs.99,940/- was deducted from the bank account of the complainant on 21.07.2021 vide five different transactions of Rs.25060/-, Rs.25060/-, Rs.25060/-, Rs.24560/- and Rs.200/- which were executed through UPI mode only and not through any other mode of banking i.e. cheque, online banking or ATM card. In a transaction carried through UPI mode, no One Time Password(OTP) is sent by the server of the bank and the customer has to submit his/her own 6 digit secret UPI Pin for the transaction conducted through UPI. The transactions in question were carried out by the

complainant only through UPI mode on 21.07.2021. Meaning thereby that the complainant has himself carried out the said transactions or has shared his UPI Pin with another person or the complainant has failed to maintain the secrecy of his UPI Pin. There is no manual deduction of any amount by the OP No.1 Bank from the account of the complainant.

It is stated that the UPI fund can be transferred by entering the self generated UPI Pin without the requirement of OTP. Without access to mobile phone having the SIM which is registered with the bank account of the customer, it is not possible to link the account to any UPI App or any Payment Service Provider.

It is stated that the complainant is not entitled to claim any amount from the OP No.1 Bank once the complainant has himself carried out the transactions or the complainant is himself negligent. Once the transactions have been executed through UPI mode, therefore, the OP No.1 Bank has no liability. Denying any deficiency in service or unfair trade practice as well as all other allegations, the OP No.1 has prayed for dismissal of the complaint.

3] OP No.2 in its written version has stated that the present dispute is between the complainant and OP No.1. There is no privity of contract between the complainant and OP No.2. The complainant is not a Consumer of OP No.2. The OP No.2 is neither a necessary nor a proper party to the present complaint. No deficiency whatsoever can be attributed to OP No.2.

It is stated that complaint of the complainant dated 21.07.2021 was closed on 09.09.2021 as First Resort Complaint (FRC) under clause 9(3)(a) of BOS,

2006. The complainant again wrote a letter dated 22.07.2021 to RBI and the said letter was registered as complaint which was closed on 19.01.2022 under clause 13(1)(a) of BO Scheme, 2006. Further, one more complaint was received from the complainant and same was registered vide complaint No.N202122007021957 by RBI under the provisions of Reserve Bank-Integrated Ombudsman Scheme, 2021 (RBIOS-2021). The said complaint was closed on 25.01.2022 as non-maintainable under clause 16(1)(a) read with clause 10 (2) (b) (i) of RBIOS, 2021. Lastly, a prayer for dismissal of the complaint has been made by OP No.2 against it.

4] Replications have also been filed by the complainant controverting the assertions of OPs as made in their written versions.

5] Parties led evidence in support of their contention.

6] Later on, in view of the statement given by the learned counsel for the complainant, the present complaint qua OP No.2 was dismissed as withdrawn vide order dated 21.10.2024.

7] We have heard the learned counsels for the complainant & OP No.1 and gone through the entire documents on record.

8] The issue to be decided is whether there is deficiency in service on the part of OP No.1 in not redressing the grievance of the complainant about unauthorized transactions made from his account especially when the unauthorized transactions have been brought to the notice of OP No.1 without any delay or not?

9] In order to find out answer to the above mentioned issue, the following facts and circumstances of the complaint are necessary to be discussed.

10] The complainant filed the present complaint against OPs for seeking relief for remained deficient in providing service to him and adoption of unfair trade practice. The OPs denied the allegations made against them in their written version, hence consumer dispute arose between the parties.

11] From the record, especially from Annexure C-2 i.e. complaint dated 21.07.2021, it is proved that the complainant reported the matter to Cyber Crime Investigation Cell, Chandigarh Police on that very day when unauthorized transactions took place from his account. It is also proved from letters Annexure C-3 & C-4 that the complainant also reported the matter to OP No.1 State Bank of India and OP No.2 Reserve Bank of India on 22.07.2021 regarding unauthorized transactions dated 21.07.2021. Thus, it is proved that the complainant has promptly brought the unauthorized transactions in question to the notice of Cyber Crime Investigation Cell, Chandigarh Police on the same day i.e. 21.07.2021 as well as to the OP No.1 & 2 on 22.07.2021 which fact has also not been denied by the OPs in their written versions.

12] It is important to mention here that the Reserve Bank of India had issued Circular bearing No. RBI/2017-18/15 DBR. No.Leg. BC.78/09.07.005/2017-18 dated 06/07/2017 , to all commercial banks with respect to “**Customer Protection-Limiting Liability of Customers in Unauthorized Electronic Banking Transactions**”, wherein it is stipulated that the customer

is required to report the unauthorized transaction to the bank, which has been done in the instant case. The relevant part of the said circular is reproduced as under:-

“.....Limited Liability of a Customer

(a) Zero Liability of a Customer

6. *A customer's entitlement to zero liability shall arise where the unauthorised transaction occurs in the following events;*

(i) Contributory fraud/ negligence/ deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).

(ii) Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorised.....”

9. *On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorised electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any). Banks may also at their discretion decide to waive off any customer liability in case of unauthorised electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorised transaction.*

10. *Further, banks shall ensure that:*

(i) a complaint is resolved and liability of the customer, if any, established within such time, as may be specified in the bank's Board

approved policy, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions of paragraphs 6 to 9 above;

(ii) where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in paragraphs 6 to 9 is paid to the customer; and

(iii) in case of debit card/ bank account, the customer does not suffer loss of interest, and in case of credit card, the customer does not bear any additional burden of interest.

Burden of Proof

12. The burden of proving customer liability in case of unauthorised electronic banking transaction shall lie on the bank.

13] As per the Circular of Reserve Bank of India, referred above, the burden of proving the complainant's liability is on the OP Bank. OP No.1 Bank failed to discharge its burden of proof by leading not even an iota of evidence proving customer liability of unauthorized transactions. Mere contention of the OP No.1 in its written version that the complainant himself carried out these transactions and breach of confidential data, if any, took place is on account of the complainant without any cogent evidence does not absolve them of their duty. OP No.1 miserably failed to discharge burden of proof mentioned in para No.12 of RBI Circular No. RBI/2017-18/15DBR.No.Leg.BC.78/09.07.005/2017-18, dated 06.07.2017 by providing on record that it is an authorized transaction. Hence, it is held to be an unauthorized transaction by third party.

14] Further, in the present complaint, it is held that OP No.1 did not follow

instructions of aforesaid circular dated 06.07.2017 issued by Reserve Bank of India. Moreover, OP No.1 has violated the instructions of the above mentioned circular issued by Reserve Bank of India. Hence, non compliance of the directions and failure of the OP No.1 Bank in redressing the genuine grievance of the complainant about unauthorized transactions in question in his account as per by the circular of Reserve Bank of India, detailed above, clearly amounts to deficiency in service.

15] The Hon'ble Bombay High Court's Division Bench of Hon'ble Justice Girish Kulkarni and Hon'ble Firdosh Pooniwalla in a petition filed by one Jaiprakash Kulkarni and Pharma Search Ayurveda Pvt. Ltd. relying on 2017 RBI Circular held:-

“A Customer has zero liability when the unauthorized transaction occurs due to a third party breach where the deficiency lies not with bank or customer but somewhere in the system”, the Hon'ble Bombay High Court directed Bank of Baroda to refund Rs.76 Lakh debited from a Company's Bank account fraudulently”

16] Reliance can also be placed on the decisions of **Hon'ble National Consumer Disputes Redressal Commission, New Delhi in F.A.No.112 of 2015 – Chairman, Punjab National Bank & Anr. Vs. Leader Values Ltd., decided on 13.03.2020 and Revision Petition No.3333 of 2013 – HDFC Bank Limited & Anr. Vs. Jesna Jose, decided on 21.12.2020 as well as decisions of Hon'ble State Consumer Disputes Redressal Commission, UT, Chandigarh in Appeal No.114 of 2023 – Dr.Ajay Sood vs. Bank of India, decided on 05.10.2023 and Appeal No.208 of 2024 – State Bank of India & anr. Vs. Rajesh Garg, decided on 30.09.2024** , wherein similar

issue, as in the present case, has been dealt with and decided in favour of the complainant/consumer.

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17] In view of the above discussion, it is held that OP No.1 remained deficient in providing service to the complainant in resolving the issue of unauthorized transactions dated 21.07.2021 despite letter/complaint dated 22.07.2021 made to the OP No.1 Bank followed by reminder which makes OP No.1 liable not only to refund an amount of Rs.99,940/- but also pay compensation to the complainant on account of physical harassment and mental agony suffered by him despite bearing cost of litigation expenses. Accordingly, the present consumer complaint succeeds, the same is accordingly partly allowed and the OP No.1 is directed as under:-

- i) to refund to the complainant an amount of Rs.99,940/- alongwith interest @ 9% per annum from the date of deduction of amount i.e. 21.07.2021 till the date of its actual realization to the complainant.
- ii) to pay Rs.10,000/- to the complainant for causing him harassment and mental agony including litigation expenses.

This order be complied with by the OP No.1 within 45 days from the date of receipt of its certified copy.

18] The pending application(s) if any, stands disposed of accordingly.

The Office is directed to send certified copy of this order to the parties,

free of cost, as per Rules under The Consumer Protection Rules, 2020. After compliance file be consigned to record room.

Announced

11.11.2025

Sd/-

(AMRINDER SINGH SIDHU)

PRESIDENT

Sd/-

(B.M.SHARMA)

MEMBER

as

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AMRINDER SINGH SIDHU

PRESIDENT

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BRIJ MOHAN SHARMA

MEMBER