District Consumer Disputes Redressal Commission- VIII (Central)
(Govt. of NCT of Delhi)
5th Floor, Maharana Pratap Inter State Bus Terminal Building
ISBT Kashmere Gate, Delhi- 110006

Consumer Complaint No.: DC/77/CC/153/2023

In the matter of

Jitender Singh S/O Sh. Shiv Kumar
R/O H.No.7, Village & Post Sharfuddinpur
Jawli, Tehsil & District Ghaziabad,
Uttar Pradesh-201102 … Complainant

Vs.

The Punjab and Sindh Bank,
Through its Branch Manager,
Village & Post Jawli Branch,
District Ghaziabad, U.P.-201102 … Opposite Party No. 1

Punjab & Sindh Bank,
Through its Principal Nodal Officer,
21, Rajendra Place, New Delhi-110008 … Opposite Party No. 2

The Axis Bank Jhandewalan Extension Branch,
Through its Branch Manager, E-1,
Rani Jhansi Road, Jhandewalan Extension,
New Delhi-110055 … Opposite Party No. 3

The Axis Bank Head Office,

Through its Branch Manager,
2nd Floor, Red Fort, Capital Parsvnath Tower,
Bhai Veer Singh Marg, New Gole Market
Block-1,WEA, Karol Bagh,
New Delhi-110001 … Opposite Party No. 4

ORDER

27.08.2026

(Dr. Rashmi Bansal, Member)

By the present order, this Commission is disposing of the complaint filed by the complainant alleging deficiency in service on the part of the Opposite Parties in relation to a failed ATM transaction, whereby, according to the complainant, an amount of ₹10,000/- was debited from his bank account although the cash was not dispensed by the ATM, resulting in financial loss, inconvenience, harassment and mental agony to him.

Case of the Complainant

1. It is the case of the complainant that he is an account holder of Opposite Party No.1 and is maintaining Savings Bank Account No. 10821000103643 with the said bank. The complainant was also issued ATM/Debit Card No. 508552108208 by Opposite Party No.1. It is submitted that on 05.12.2022 at about 2:16 p.m., the complainant attempted to withdraw a sum of ₹10,000/- from an ATM of Axis Bank, i.e. Opposite Party No.3. Although the transaction appeared to have been successfully processed and the complainant received the corresponding transaction message, the ATM did not dispense any cash. Despite non-dispensation of cash, an amount of ₹10,000/- was debited from the complainant's bank account. The complainant has further stated that immediately after his transaction, his colleague also used the same ATM and successfully withdrew ₹20,000/-. According to the complainant, this circumstance further demonstrated that the ATM was operational and that the

disputed transaction was a case of non-dispensation of cash despite debit of the amount from his account.

2. It is submitted that the complainant immediately approached Opposite Party No.1. On 07.12.2022, he informed the Branch Manager of Opposite Party No.1 regarding the wrongful debit of ₹10,000/- without corresponding cash disbursement. The Branch Manager assured the complainant that the matter would be resolved and requested him to wait for some time. However, despite the assurance, the amount was not re-credited to his account. Thereafter, on 19.12.2022, the complainant submitted a written complaint to Opposite Party No.1 regarding the failed transaction and requested that the wrongly deducted amount be restored to his account. The complainant submits that he was informed by the Branch Manager that, according to the bank's records, the transaction had been shown as successful and, therefore, no amount was payable to him.

3. Being dissatisfied with the response, the complainant again approached Opposite Party No.1 on 05.01.2023, requesting a proper investigation into the matter. The complainant has stated that he was also asked to deposit/pay ₹590/- towards further investigation charges and, accordingly, requested that the said amount be deducted from his account. He was thereafter assured that his grievance would be resolved within approximately 45 days. According to the complainant, despite the expiry of the said period, the matter remained unresolved. The complainant thereafter submitted another complaint to Opposite Party No.2, stated to be the Principal Nodal Officer, pointing out that he was not satisfied with the response of the Branch Manager and requesting a proper investigation into the failed ATM transaction. However, according to the complainant, no effective relief was provided to him.

4. It is the further case of the complainant that despite repeated complaints and requests, the Opposite Parties failed to refund/re-credit the amount of ₹10,000/- wrongfully debited from his account. Ultimately, the complainant was constrained to issue a legal notice through his counsel dated 14.07.2023, which was sent by Speed Post to Opposite Parties Nos.1 to 4. The complainant submits that the notice was duly served upon Opposite Parties Nos.1 to 3, whereas the envelope addressed to Opposite Party No.4 was returned with the postal remark regarding the address being left without instructions. The complainant has nevertheless pleaded that the notice was sent at the last known address of

Opposite Party No.4 and, therefore, service is deemed in accordance with law. Despite service of the legal notice, according to the complainant, the Opposite Parties failed to refund the amount of ₹10,000/-. The complainant accordingly demanded refund of the said amount along with interest at the rate of 24% per annum from the date of debit till realization, within 15 days of receipt of the legal notice.

5. It is alleged that the failure of the Opposite Parties to restore the amount despite repeated complaints and despite the applicable banking guidelines amounts to gross negligence and deficiency in service. The complainant submits that he was deprived of his own money and was compelled to undergo considerable inconvenience, harassment and mental agony in pursuing the matter with the bank and thereafter before this Commission. The complainant has accordingly prayed for refund of ₹10,000/- along with interest at the rate of 24% per annum from 05.12.2022 till realization; compensation of ₹1,00,000/- towards mental torture, agony and harassment, along with interest at the rate of 18% per annum; ₹1,50,000/- towards damages allegedly suffered by him in his professional services on account of the conduct of the Opposite Parties; and ₹22,000/- towards litigation expenses and other expenses.

<u>Version of the Opposite Parties</u>

6. Upon notice, Opposite Party No.1 appeared and filed its written statement. Opposite Parties Nos.2 and 3 did not appear and did not file their written statements. During the pendency of the complaint, on the request of the complainant, Opposite Party No.4 was deleted from the array of parties vide order dated 29.02.2024. Opposite Party No.1, in its written statement, has raised preliminary objections that the complaint is not maintainable and is liable to be dismissed as being barred by limitation. It has also been pleaded that the complainant has not approached this Commission with clean hands and has not disclosed the true and complete facts. It is further pleaded that the complaint has not been properly valued for the purposes of jurisdiction and that the complainant has no locus standi to maintain the complaint against Opposite Party No.1. The Opposite Party has also pleaded that the complaint does not disclose any cause of action against it.

7. On merits, Opposite Party No.1 has stated that it had registered the complaint relating to the disputed ATM transaction on its ATM portal under Complaint No. DTX202052325 dated 19.12.2022. According to Opposite Party

No.1, the complaint was forwarded to Axis Bank/Opposite Party No.3 and was rejected with the observation that the transaction was successful. It is further stated that, upon the request of the complainant, Opposite Party No.1 again raised the complaint with Axis Bank by depositing ₹590/- towards further investigation through Complaint No. DL20250 dated 05.01.2023. It is stated that the matter was thereafter referred to the ATM Cell/Arbitration on 09.01.2023, with a Turn Around Time of 45 days, but the complaint was again rejected by Axis Bank/Opposite Party No.3 on the same ground that the transaction was successful. Opposite Party No.1 has pleaded that it acted in accordance with the applicable banking laws, rules, regulations and guidelines of the Reserve Bank of India. It is further pleaded that the bank follows proper KYC procedures and that appropriate assistance was provided to the complainant. It has also been contended that Opposite Party No.1 undertook the necessary investigation within its jurisdiction to recover the amount and, therefore, no deficiency in service can be attributed to it. Opposite Party No.1 has accordingly prayed for dismissal of the complaint.

Rejoinder

The complainant filed rejoinder to the written statement of Opposite Party No.1, reiterating the facts stated in the complaint and denying the allegations and objections raised by Opposite Party No.1.

Evidence

8. The complainant filed his evidence by way of affidavit in support of the complaint and relied upon various documents, including the written complaint dated 19.12.2022 submitted to Opposite Party No.1; complaint dated 05.01.2023; complaint addressed to the Principal Nodal Officer/Opposite Party No.2; legal notice dated 14.07.2023 along with postal receipts and proof of delivery; statement of account issued by Opposite Party No.1; screenshot/message relating to debit of ₹10,000/- from his account; statement of account of his colleague showing withdrawal of ₹20,000/- from the same ATM; copy of the ATM card; income-tax return and other documents relied upon by him.

9. Opposite Party No.1 failed to file its evidence within the time granted by the Commission. Consequently, the opportunity of Opposite Party No.1 to file evidence was closed vide order dated 02.01.2025. It is, however, noted that certain documents relied upon by Opposite Party No.1 were placed on record,

including photocopies of the complaint dated 19.12.2022, complaint dated 05.01.2023 and an ATM transaction report showing the debit of ₹10,000/- from the account of the complainant.

10. The complainant has also filed written arguments. No written arguments have been filed on behalf of Opposite Party Nos.1 to 3.

Findings and Reasons

11. We have heard the submissions made on behalf of the complainant and have carefully perused the pleadings, evidence and documents available on record.

12. Before considering the merits of the complaint, it is necessary to deal with the evidentiary position. Opposite Party No.1 filed a written statement but failed to lead its evidence within the opportunity granted by this Commission, resulting in closure of its evidence on 02.01.2025. It is a settled principle that pleadings constitute assertions of facts and cannot, by themselves, be treated as proof of the facts asserted therein where the same are specifically required to be established by evidence. Therefore, the allegations and assertions contained in the written statement, insofar as they are not supported by admissible evidence on record, cannot by themselves displace the documentary evidence produced by the complainant.

13. The principal question before this Commission is whether the complainant's account was debited by ₹10,000/- in an ATM transaction dated 05.12.2022 without actual dispensation of cash and, if so, whether the Opposite Party was under an obligation to reverse the said amount and pay the prescribed compensation for delay.

14. From the statement of account placed on record by the complainant, it is established that an amount of ₹10,000/- was debited from his account on 05.12.2022. The complainant has also placed on record the relevant transaction message and other documents in support of his contention that no cash was dispensed. Significantly, the complainant approached Opposite Party No.1 by a written complaint dated 19.12.2022, i.e. within 14 days of the disputed transaction. Thus, there is no delay on the part of the complainant in bringing

the failed transaction to the notice of the bank as per the RBI circular May 27, 2011- RBI/2010/11/547 - DPSS.PD.No.2632 / 02.10.002 / 2010-2011.

15. The Reserve Bank of India has specifically prescribed a regulatory framework for failed ATM transactions. Under RBI Circular No. RBI/2019-20/67, DPSS.CO.PD No.629/02.01.014/2019-20 dated 20.09.2019, relating to harmonisation of Turn Around Time and customer compensation for failed transactions using authorised payment systems, where the customer's account is debited but cash is not dispensed by an ATM, the failed transaction is required to be proactively reversed within a maximum period of T+5 calendar days. In case of delay beyond T+5 days, compensation of ₹100/- per day of delay is payable to the account holder. T is the day of transaction and refers to the calendar date.

16. The RBI has further clarified that, in the case of a failed ATM transaction where the customer's account is debited, the customer may lodge the complaint with the card-issuing bank, even where the transaction was carried out at the ATM of another bank. The RBI's own customer FAQ also states that the card-issuing bank is required to re-credit the customer's account within a maximum of T+5 calendar days and pay ₹100/- per day for delay beyond that period. Thus, the mere fact that the disputed transaction was carried out at the ATM of Axis Bank/Opposite Party No.3 does not absolve the card-issuing/account-maintaining bank of its customer-facing obligation to ensure resolution of the failed transaction and re-credit the customer's account within the prescribed period. The RBI framework also contemplates settlement of the inter-bank dispute between the issuing and acquiring banks through the ATM system provider.

17. In the present case, Opposite Party No.1 itself admits that it registered the complaint and subsequently raised the matter with Axis Bank/Opposite Party No.3. It further admits that the complaint was rejected on the ground that the transaction was shown as successful. Thus, the very defence of Opposite Party No.1 establishes that the complainant had approached the bank regarding the disputed transaction and that the bank had knowledge of his grievance. The mere recording of a transaction as "successful" in the electronic system cannot, by itself, conclusively establish that cash was actually dispensed to the customer. In a failed ATM transaction, the relevant question is whether the amount was actually dispensed. The RBI framework itself recognises the

specific category of transactions in which the customer's account is debited but cash is not dispensed.

18. No cogent evidence has been placed on record by the Opposite Parties to establish actual cash dispensation of ₹10,000/- to the complainant. No ATM journal, cash balancing report, electronic journal, CCTV footage, switch-level reconciliation report or other reliable technical record has been produced before this Commission to demonstrate that the cash corresponding to the disputed transaction was actually dispensed. It is particularly significant that, despite the complainant having deposited/been charged ₹590/- for further investigation, no investigation report has been placed before this Commission demonstrating the result of such investigation. The Opposite Party has merely relied upon the fact that the transaction was reported as "successful". Such a bare assertion, without production of the underlying technical or reconciliation record, cannot be treated as sufficient proof that the cash was actually dispensed. The complainant, on the other hand, promptly lodged his written complaint on 19.12.2022. The bank itself acknowledges the registration of the complaint and the subsequent correspondence with the acquiring bank. Therefore, the grievance cannot be treated as a belated or fabricated claim.

19. The RBI framework is intended precisely to protect a customer in circumstances where his account is debited but the ATM does not dispense the cash. The prescribed T+5 period is the outer limit for reversal and the compensation mechanism is intended to ensure accountability for delay. The RBI has expressly stated that the prescribed TAT is the outer limit for resolution and that banks should endeavour to resolve such failed transactions more quickly. In the present case, there is no material on record to establish that the amount of ₹10,000/- was re-credited to the complainant's account within the prescribed T+5 period. Indeed, the complainant's consistent case is that the amount has not been refunded even thereafter. The Opposite Party has also not produced any material demonstrating that the amount was ever re-credited to the complainant. Accordingly, the failure to reverse the amount within the prescribed period constitutes deficiency in service. The complainant was deprived of the use of his own money and was required to repeatedly approach the bank, submit written complaints and pursue the matter before this Commission.

20. The contention of Opposite Party No.1 that it had acted in accordance with the RBI guidelines cannot be accepted merely because it forwarded the complaint to Axis Bank and received a response that the transaction was successful. Compliance with the regulatory framework required the customer's failed transaction to be resolved within the prescribed framework. The inter-bank dispute between the issuing and acquiring banks could not be permitted to prejudice the complainant's right to prompt re-credit of his money. It is also relevant that the RBI framework places the obligation of compensation for delayed re-credit upon the card-issuing bank. The issuing bank may, in accordance with the inter-bank mechanism, recover the amount or compensation from the acquiring bank if the delay is attributable to the latter. Such inter se liability between the banks cannot be shifted upon the consumer.

21. In view of the foregoing discussion, this Commission is satisfied that the complainant has established that ₹10,000/- was debited from his account in the disputed ATM transaction and that the amount was not re-credited to him within the period prescribed under the RBI guidelines. The complainant is, therefore, entitled to refund/re-credit of ₹10,000/-. The complainant lodged his complaint with Opposite Party No.1 on 19.12.2022. Under the RBI circular, the prescribed period for reversal was T+5 days. The period of delay for the purpose of compensation would consequently commence after expiry of the prescribed T+5 period from the date of the failed transaction. The relevant transaction date is 05.12.2022. Therefore, though T+5 expires on 10.12.2022, and the period of delay thereafter is to be reckoned in accordance with the RBI framework. However, because the bank was intimated by the complainant on 19.12.2022, the delay has to be calculated from 19.12.2022 plus 5 days, which would be 24.12.2022. Therefor, number of days from 24.12.22 till date of filing of the complaint, which is 16.10.2023, are 296 days. Therefore, delayed compensation to be paid by OP1 would be ₹ 29,600/.

22. The complainant has further claimed ₹1,00,000/- towards mental agony, harassment and inconvenience. There is no doubt that the complainant was deprived of his money and was required to make repeated complaints and pursue the matter before the Commission. The conduct of the Opposite Party in failing to resolve the failed ATM transaction despite timely intimation caused inconvenience and mental harassment to the complainant. However, the amount claimed under this head appears excessive. In the facts and circumstances of the case, compensation of ₹10,000/- would meet the ends of justice.

23. The complainant has also claimed ₹1,50,000/- towards alleged loss suffered by him in his services. No cogent documentary evidence has been produced to establish any specific professional or pecuniary loss of ₹1,50,000/- directly attributable to the disputed ATM transaction. The said claim, therefore, cannot be awarded. The complainant has also incurred expenses in pursuing his legitimate grievance before the bank and thereafter before this Commission. He is accordingly entitled to reasonable litigation expenses. In the facts of the present case, litigation cost of ₹10,000/- would be just and reasonable.

24. Accordingly, the complaint succeeds to the extent stated above.

Order

In view of the foregoing discussion, the complaint is allowed against Opposite Party No.1. Opposite Party No.1 is directed as follows:

A. To refund/re-credit to the complainant the sum of ₹10,000/-, being the amount debited from his account in the failed ATM transaction dated 05.12.2022;
B. To pay ₹29,600/- to the complainant towards compensation for delayed reversal of the failed ATM transaction, in accordance with the applicable RBI framework;
C. To pay ₹10,000/- as compensation for mental agony, harassment and inconvenience caused to the complainant on account of deficiency in service; and
D. To pay ₹10,000/- towards litigation expenses.

25. The aforesaid amounts shall be paid to the complainant within 45 days from the date of receipt of a copy of this order, failing which the entire outstanding amount shall carry interest at the rate of 9% per annum from the date of default till actual realization.

It is clarified that the inter se dispute, if any, between Opposite Party No.1 and Opposite Party No.3 regarding reconciliation of the disputed ATM transaction or recovery of any amount/compensation shall be resolved between the concerned banks in accordance with the applicable RBI/ATM network mechanism and shall not prejudice the rights of the complainant. RBI's framework specifically contemplates settlement of such disputes between the issuing and acquiring banks through the ATM system provider.

The complaint stands disposed of in terms of the above order.

A copy of this order be supplied to the parties free of cost as per the Consumer Protection Act, 2019 and the applicable rules.

File be consigned to the Record Room after due compliance.

Divya Jyoti Jaipuriar, President

Dr. Rashmi Bansal, Member