

Terms and conditions for Positive Pay:

Effective January 1, 2021, facility of "Positive Pay" is being made available to customers issuing high value cheques. This will ensure customer safety in cheque payments and reduce instances of erroneous processing on account of tampering of cheque leaf.

The Positive Pay System will further augment safety to customers in cheque payments and reduce instances of fraud occurring on account of tampering of cheques. Under this process, customers issuing cheques have to submit details of the cheque such as date, instrument number, amount, etc. to his / her banker immediately after issuing. Banks will be cross checking these details when such cheques are presented for clearing by the beneficiaries and any discrepancy is flagged to the drawee bank and presenting bank, who would take redressal measures.

In view of the above, effective January 1, 2021 customer will be required to provide details of cheques (viz. cheque date, 6 digit cheque number, Cheque amount, beneficiary name) either by logging in to the latest version of Kotak Net Banking or by visiting the nearest bank branch on the day the cheque is issued by the customer or before it is handed over to the beneficiary.

Important points:

1. The details are to be provided only for manually issued cheques on the same day of the issuance or before it is handed over to the beneficiary.
2. The correctness of the data will need to be ensured before the submission of the same to bank, which may otherwise lead to the same being rejected or returned.
3. Availing of the facility will be at the discretion of the customer. In case details of manually issued cheques are not provided, existing clearing process will continue without positive pay check.
4. Cheques which are compliant with the instructions stipulated in the above circular will be accepted under dispute resolution mechanism at the CTS grids i.e. in case the cheque issuance details are not shared with drawee (issuing) bank, the right to raise a complaint under Dispute Redressal Mechanism in case an altered cheque is paid from the account will be forfeited.