



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 27, 2026

RBI imposes monetary penalty on Union Bank of India

The Reserve Bank of India (RBI) has, by an order dated March 23, 2026, imposed a monetary penalty of ₹95.40 lakh (Rupees Ninety Five Lakh Forty Thousand only) on Union Bank of India (the bank) for non-compliance with certain directions issued by RBI on 'Limiting Liability of Customers in Unauthorised Electronic Banking Transactions', and 'Automation of Income Recognition, Asset Classification and Provisioning processes'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47 A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with the provisions of RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said RBI directions.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i) The bank did not credit (shadow reversal) the amount involved in the unauthorised electronic transaction to certain customers' accounts within 10 working days from the date of such notification by the customer;
- ii) The bank did not provide customers with 24x7 access to report unauthorised banking transactions through multiple channels; and
- iii) The bank resorted to manual intervention in the System based asset classification process in certain KCC accounts.

The action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.