

# **THE BANKING OMBUDSMAN SCHEME 2006**

## **ANNUAL REPORT**

**2013-2014**



**RESERVE BANK OF INDIA  
CONSUMER EDUCATION AND PROTECTION  
DEPARTMENT  
CENTRAL OFFICE  
MUMBAI**



# THE BANKING OMBUDSMAN SCHEME 2006

## ANNUAL REPORT 2013-2014

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**S. S. Mundra**

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## **FOREWORD**

Reserve Bank of India places a great deal of importance on customer service in the banks and towards this end, it has formulated the Banking Ombudsman Scheme (BO Scheme) which provides for a free and easily accessible alternate complaints redressal mechanism for bank customers. The Scheme, which has been in existence since 1995, has been amended from time to time to enhance its coverage in terms of nature of complaints and service offerings. This Scheme has proved to be an effective and reasonably quick mechanism for redressal of customer complaints, especially those emanating from poor and middle class customers.


2. Consumer Protection, Financial Education and Financial Stability are a triad for the efficient functioning of the Financial System. The word 'Customer' and 'Consumer' are often used interchangeably though they are subtly different. For the present, Reserve Bank of India's protection efforts are focused on the customers of banks. In any financial service, the customer is the targeted beneficiary and essentially he/she is a central focus of financial services regulation. The customers can confidently transact only when there is a robust, effective and fair protection regime available to him/her. Only such regime can drive customer confidence in financial services and help the regulators earn the trust and respect of financial services providers. Customer protection need not only be oriented towards protecting the interests of existing customers but should also help inspire confidence in the financial system for potential future customers. It primarily aims at offsetting the information asymmetry between service providers and the receivers of financial services by placing certain restrictions on the former. Without a proper customer protection framework, ill-informed and less financially literate bank customers would remain vulnerable to inappropriate products and services.

3. Charter of Customer Rights: For further augmentation of the Customer Protection measures, Reserve Bank of India has put out a draft Charter of Customer

Rights taking into consideration the global best practices in this regard. The Charter of Customer Rights comprises five rights namely a) Right to Fair Treatment, b) Right to Transparency, Fair and Honest Dealing, c) Right to Suitability, d) Right to Privacy and e) Right to Grievance Redress and Compensation, covering the essential rights of a bank customer not only for the pre and post-avilment of financial services but also throughout the life cycle of the product/services offered.

4. Indeed, a reliable and robust redress mechanism is a core component of an effective customer protection framework. Such mechanism should ensure that disputes between customers and financial service provider are dealt with fairly and expeditiously. Over the years, RBI instituted BO Scheme has gained wide acceptance among bank customers for being an independent, transparent, cost-effective and expeditious grievance redressal framework. The Scheme has benefitted common bank customers, who quite often do not have means to approach other forum such as Courts, Tribunals etc. During the last five years, on an average 70,000 plus complaints were received by the Offices of Banking Ombudsmen. During 2013-14, BO Offices received 76573 complaints. It is heartening to note that 96% of the complaints were disposed by the end of the year. The success of the scheme is evident in these figures.

5. The report highlights the need to spread wider awareness about the BO Scheme i.e. about the jurisdiction of the Scheme, grounds of complaints, mechanism of Appellate Authority etc. Presently, most of the complaints received under the Scheme emanate from the metros and large cities. As the banks increase their penetration in under-banked and hitherto unbanked smaller towns and rural areas, going forward our focus also needs to be on increasing the public awareness about the Scheme in these places.



(S. S. Mundra)



## **Vision and Goals of the Banking Ombudsman Offices**

### ***Vision***

- To act as a visible and credible dispute resolution agency for common persons utilizing banking services.

### ***Goals***

- To ensure redress of grievances of users of banking services in an inexpensive, expeditious and fair manner that provides impetus to improve customer services in the banking sector on a continuous basis.
- To provide policy feedback/suggestions to Reserve Bank of India towards framing appropriate and timely guidelines for banks to improve the level of customer service and to strengthen their internal grievance redress systems
- To enhance awareness of the Banking Ombudsman Scheme.
- To facilitate quick and fair (non-discriminatory) redress of grievances through use of IT systems, comprehensive and easily accessible database and enhanced capabilities of staff through capacity building.



## **1. Customer Service Initiatives by the Reserve Bank of India**

**1.1** Customer protection primarily aims at providing level playing field between suppliers and consumers of financial services by reducing the imbalance and inequality between the two parties. The imbalance essentially stems from information asymmetries, limited product choices, largely monopolistic nature of service providers etc. The imbalances are particularly pronounced in financial services as the products and services tend to be complex, vulnerable to market forces, and offer very limited exit options to the customers. In this scenario, the role of regulatory authorities in consumer protection in the financial sector, which was always important, assumes greater significance in times of market and competition driven pricing of financial services. The regulator's role is all the more important in our country, where literacy and awareness levels are low. The RBI initiated several measures to strengthen customer protection during the year. Some of the important customer service measures initiated by RBI during the year under review are given below.

**1.2 Comprehensive Consumer Protection Regulations:** The first Bi-monthly Monetary Policy Statement released on April 1, 2014 stated that “consumer protection is an integral aspect of financial inclusion and proposed to frame comprehensive consumer protection regulations based on domestic experience and global best practices”. The proposed statutory framework will come with explicit rights, the customers enjoy and the implicit duties that are cast on the banker. In compliance with this announcement in early September 2014, RBI has placed on its website a draft Charter of Customer Rights comprising five basic customer rights and explanatory notes on each right for public comments. (See Box I) The draft Charter of Customer Rights to deal with entities regulated by the Reserve Bank of India, has been framed based on global best practices of consumer protection as also discussions and interaction with various stakeholders. The Charter spells out the rights of the customer and the responsibilities of the financial service providers.

### **Box I . Charter of Customer Rights**

1. **Right to Fair Treatment:** Both the customer and the financial services provider have a right to be treated with courtesy. The customer should not be unfairly discriminated against on grounds *such as* gender, age, religion, caste and physical ability when offering and delivering financial products.
2. **Right to Transparency, Fair and Honest Dealing:** The financial services provider should make every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to, the common person. The product's price, the associated risks, the customer's responsibilities and the terms and conditions that govern its use over the product's life cycle, should be clearly disclosed. The customer should not be subject to unfair business or marketing practices, coercive contractual terms or misleading representations. Over the course of their relationship, the financial services provider cannot threaten the customer with physical harm, exert undue influence, or engage in blatant harassment.
3. **Right to Suitability:** The products offered should be appropriate to the needs of the customer and based on an assessment of the customer's financial circumstances and understanding.
4. **Right to Privacy :** Customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose (for example, to credit information companies). The customer should be informed upfront about likely mandated business purposes. Customers have the right to protection from all kinds of communications, electronic or otherwise, which infringe upon their privacy.
5. **Right to Grievance Redress and Compensation:** The customer has a right to hold the financial services provider accountable for the products offered and to have a clear and easy way to have any valid grievances redressed. The provider should also facilitate the redress of grievances stemming from the sale of third party products. The financial services provider must communicate its policy for compensating mistakes, lapses in conduct, as well as non-performance or delays in performance, whether caused by the provider or otherwise. The policy must lay out the rights and duties of the customer when such events occur.

**1.3 Simplified KYC norms:** In the light of practical difficulties/constraints expressed by bankers/customers in obtaining/submitting fresh KYC documents at frequent intervals banks were advised to continue to carry out on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and, wherever necessary, the source of funds. Full KYC exercise is required to be completed at least once every two years for high risk individuals and entities, every ten years for low risk and at least once every eight years for medium risk individuals and entities. Positive confirmation (obtaining KYC related updates through e-mail/letter/telephonic conversation/forms/interviews/visits, etc.), required to be completed at least every two years for medium risk and at least every three years for low risk individuals and entities has since been dispensed with, with effect from September 4, 2014. Fresh photographs will be required to be obtained from a minor customer on becoming a major.

Banks have been advised that only 'mandatory' information required for KYC purpose which the customer is obliged to furnish while opening an account should be obtained at the time of account opening/during periodic updation. Other 'optional' customer details/additional information, if required may be obtained separately after the account has been opened and only with the explicit consent of the customer.

In view of the difficulties faced by migrant workers, transferred employees, etc. in submitting a proof of current/permanent address while opening a bank account, the RBI simplified the requirement of submission of 'proof of address' specifying that henceforth, customers may submit only one documentary proof of address (either current or permanent) while opening a bank account or while undergoing periodic updation. In case, the address mentioned as per 'proof of address' undergoes a change, fresh proof of address may be submitted to the branch within a period of six months. In case, the proof of address furnished by the customer is not the local address or address where the customer is currently residing, the bank may take a declaration of the local address on which all correspondence will be made by the bank with the customer. No proof is required to be submitted for such address for correspondence/local address. This address may be verified by the bank through 'positive confirmation. In the event of change in this address due to relocation or any

other reason, customers may intimate the new address for correspondence to the bank within two weeks of such a change.

**1.4 ATM transactions – Enhancement of customer service:** Banks were advised to display message regarding non-availability of cash in ATMs before the transaction is initiated either on screen or in some other way, display the ATM ID clearly in the ATM premises, make available forms for lodging ATM complaints within the ATM premises and also display the name and phone number of the officials with whom the complaint can be lodged. Banks were also instructed to make available sufficient toll-free phone numbers for lodging complaints / reporting and blocking lost cards to avoid delays and also attend the requests on priority, proactively register the mobile numbers / e-mail IDs of their customers for sending alerts and enable time out sessions for all screens / stages of ATM transaction

**1.5 Charges Levied by Banks for Sending SMS Alerts:** As announced in the second quarter review of Annual Monetary Policy Statement 2013-14, banks were advised to leverage the technology available with them and the telecom service providers to ensure that such charges are levied on all customers on actual usage basis.

**1.6 Levy of penal charges on non-maintenance of minimum balances in inoperative Accounts:** Banks were prohibited from levying penal charges for non-maintenance of minimum balances in any inoperative account. This was in compliance with the announcement made in first Bi-monthly Monetary Policy Statement released on April 1, 2014.

**1.7 Opening of Bank Accounts in the Names of Minors:** With a view to promote the objective of financial inclusion and also to bring uniformity among banks in opening and operating minors' accounts, banks have been advised that a savings /fixed / recurring bank deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian. Minors above the age of 10 years can open and operate savings bank accounts independently, if they so desire.

**1.8 Levy of foreclosure charges/pre-payment penalty on Floating Rate Term Loans:** In compliance with the announcement made in the first Bi-monthly Monetary Policy Statement released on April 1, 2014, regulatory instructions were issued

restricting banks from levying foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to *individual borrowers*.

**1.9 Timely Issue of Tax Deducted at Source (TDS) Certificate to Customers:** To ensure that TDS Certificate in Form 16A are issued by banks to their customers in time, banks were advised to provide to their customers, from whose account TDS was being deducted, a TDS Certificate in Form 16A, within the time-frame prescribed under the Income Tax Rules.

**1.10 Periodicity of Payment of Interest on Savings/Term Deposits:** On review of instructions on payment of interest on savings and term deposits at quarterly or longer rests, banks have been given the option to pay interest on rupee savings and term deposits at intervals shorter than quarterly intervals.

**1.11 Easy access to bank Branches / ATMs to persons with disabilities:** Banks have been directed to take necessary steps to provide all existing ATMs / future ATMs with ramps so that wheel chair users / persons with disabilities can easily access them. Banks are also to take appropriate steps, including provision of ramps at the entrance of the bank branches, wherever feasible. Further, banks should make all new ATMs installed from July 1, 2014 as talking ATMs with Braille keypads. In addition, magnifying glasses should also be provided in all bank branches for the use of persons with low vision. The branches should display at a prominent place notice about the availability of magnifying glasses and other facilities available for persons with visual and other disabilities.

**1.12 The Depositor Education and Awareness Fund Scheme, 2014:** In terms of powers conferred under section 26A of the Banking Regulation Act, 1949 the RBI has set up the Depositor Education and Awareness Fund. The RBI shall by notification in the official gazette specify an authority or Committee with such members as the RBI may appoint to administer the Fund and to maintain separate accounts and other relevant records in relation to the Fund in such forms as may be specified by the RBI. It shall be for the Competent Authority to spend money out of the Fund for carrying out the objects for which the fund has been established.

The amount to the credit of any account in India with any bank, which has not been operated upon for a period of ten years or any deposit or any amount remaining

unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim his deposit or unclaimed amount or operate his/her account after the expiry of ten years, even after such amount has been transferred to the Fund at such rate of interest as the RBI may specify. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund. The Depositor Education and Awareness Fund Scheme, 2014 was notified in the official gazette on May 24, 2014.

**1.13 Master Circular on Customer Service in Banks:** The Master Circular on Customer Service which incorporates RBI instructions/ guidelines issued to banks on various customer service related issues such as operations of deposit accounts, levy of service charges, disclosure of information, remittances, collection of instruments, dishonor of cheques, safe deposit lockers, nomination facility, dealing with complaints etc., has been updated covering instructions/guidelines issued till June 30, 2014 and placed on the website of the RBI.

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**Profile of customer complaints handled by the OBOs**

<b>Particulars</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Complaints brought forward from the previous year	4617	4642	5479
Complaints received	72889	70541	76573
Total No of complaints handled	77506	75183	82052
Complaints disposed	72864	69704	78745
Complaints pending at the end of the year	4642 (6.0%)	5479 (7%)	3307 (4%)
Complaints Pending for less than one month	2681 (3.0%)	3281 (4.36%)	2432 (3%)
Complaints Pending for one to two months	1655 (2.14%)	1675 (2%)	838 (1%)
Complaints Pending for two to three months	277 (0.35)	492 (0.6%)	36 (0.04%)
Complaints Pending for more than three months	9 (0.01%)	31 (0.04%)	1 (0.001%)
Appeals pending at beginning of the year	0	13	0
Appeals Received	47	52	107
Total no. of Appeals	47	65	107
Appeal Disposed	34	65	77
Appeals pending at the end of the year	13	Nil	30
Representations to review the decision of BOs	304	308	531

## **2. The Banking Ombudsman Scheme 2006**

**2.1** The Banking Ombudsman Scheme (BOS) introduced by the RBI in the year 1995 continues to remain a credible, cost-free alternative consumer dispute redressal mechanism in the banking industry. Its credibility is evident in the number of complaints handled by the offices of Banking Ombudsmen (OBOs) across the country. On average, OBOs receive annually 70000 plus complaints. The major category of complainants is individual bank customers. The objective of the Scheme is to provide a cost free avenue to common bank customers for resolution of their complaints on deficiency of banking services. The Scheme is oriented towards this vulnerable group of bank customers for whom approaching other fora is difficult and cost-prohibitive. The Scheme is applicable to Scheduled Commercial Banks, Regional Rural Banks and Scheduled Urban Cooperative Banks. The Scheme is implemented through 15 offices of Banking Ombudsmen situated across the country.

**2.2** The complaint resolution mechanism under the BOS is simple and hassle-free. There are no multiple forms, no fees to be paid. Complaint can be lodged on a plain paper and sent through post/Fax/courier. For net-savvy bank customers the complaint can be sent through e-mail or lodged through online complaint form kept on the web site of the RBI.

**2.3** As bank-branch is the first nodal point for the customer for resolution of grievance, the Scheme requires that the complainant first approaches his bank for resolution of his grievance. If he is not satisfied with bank's resolution or there is no response from the bank within one month from the date of his complaint, he can approach the BO.

**2.4** The Scheme specifies 27 grounds of complaint under which a complaint can be lodged with the BO. These grounds cover deficiencies in almost any banking service including credit cards, ATM and internet banking, non-adherence to the provisions of the Fair Practices Code for lenders or the Code of Bank's commitment to Customers issued by the Banking Codes and Standards Board of India (BCSBI). (See Annex IV –Grounds of Complaints)

**2.5** The thrust of the Scheme is on resolution by mediation and conciliation between banks and complainant. The Banking Ombudsmen try to arrive at a solution, which is

acceptable to both the parties. Only in such cases where a mutually acceptable solution is not possible, the BO issues an Award. While resolving complaints, BOs take into account the principles of natural justice, banking law and practices and regulatory guidelines.

**2.6** The Scheme provides a mechanism for filing appeals. Both the parties have the option of filing an appeal against the decision of BO. The Deputy Governor of RBI who is in charge of the department administering the Scheme (Consumer Education and Protection Department), is designated as the Appellate Authority under the Scheme. The Consumer Education and Protection Department functions as the Secretariat for the Appellate Authority.

**2.7** Over the years, the awareness about the Scheme among bank customers has remained restricted mainly to Metro and Urban areas. These areas accounted for about 71% of the total complaints received during the year 2013-14. Some of the reasons attributed to the greater share of complaints from metro and urban areas are increased availability of banking services, financial literacy and expectation level of bank customers and greater awareness about the Scheme among residents of these areas as compared to their counterparts in semi-urban and rural areas. The Scheme is yet to catch up in rural and semi-urban areas.

**2.8** Another disturbing fact is that the proportion of non-maintainable complaints received at the OBOs is very high. These are the complaints where the complainant has not followed the procedure laid down in the Scheme for filing the complaint (See Box II) or those complaints which are not covered under the grounds of complaints laid down in the Scheme. One of the reasons attributed to this feature is lack of awareness about the applicability and provisions of the Scheme among bank customers.

**2.9** OBOs are trying to enhance visibility and awareness about the Scheme through awareness campaigns, Town Hall events, publicity through print and electronic media etc. However, these efforts need be supplemented at branch level by banks as branches are well placed to spread awareness among customers at the grass-root level.

**2.10** The following chapters contain a detailed analysis of complaints handled by 15 BOs during the year 2013-14.

**Box II. Procedure for filing complaint with Banking Ombudsman –  
Clause 9 of Banking Ombudsman Scheme**

(1) Any person who has a grievance against a bank on any one or more of the grounds mentioned in Clause 8 of the Scheme may, himself or through his authorised representative (other than an advocate), make a complaint to the Banking Ombudsman within whose jurisdiction the branch or office of the bank complained against is located. Provided that a complaint arising out of the operations of credit cards and other types of services with centralized operations, shall be filed before the Banking Ombudsman within whose territorial jurisdiction the billing address of the customer is located.

(2) (a) The complaint in writing shall be duly signed by the complainant or his authorized representative and shall be, as far as possible, in the form specified in the Scheme or as near as thereto as circumstances admit, stating clearly:

- (i) the name and the address of the complainant,
- (ii) the name and address of the branch or office of the bank against which the complaint is made,
- (iii) the facts giving rise to the complaint,
- (iv) the nature and extent of the loss caused to the complainant, and
- (v) the relief sought for.

(b) The complainant shall file along with the complaint, copies of the documents, if any, which he proposes to rely upon and a declaration that the complaint is maintainable under sub-clause (3) of this clause.

(c) A complaint made through electronic means shall also be accepted by the Banking Ombudsman and a print out of such complaint shall be taken on the record of the Banking Ombudsman.

(d) The Banking Ombudsman shall also entertain complaints covered by this Scheme received by Central Government or Reserve Bank and forwarded to him for disposal.

(3) No complaint to the Banking Ombudsman shall lie unless:-

(a) the complainant had, before making a complaint to the Banking Ombudsman, made a written representation to the bank and the bank had rejected the complaint or the complainant had not received any reply within a period of one month after the bank received his representation or the complainant is not satisfied with the reply given to him by the bank;

(b) the complaint is made not later than one year after the complainant has received the reply of the bank to his representation or, where no reply is received, not later than one year and one month after the date of the representation to the bank;

(c) the complaint is not in respect of the same cause of action which was settled or dealt with on merits by the Banking Ombudsman in any previous proceedings whether or not received from the same complainant or along with one or more complainants or one or more of the parties concerned with the cause of action ;

(d) the complaint does not pertain to the same cause of action, for which any proceedings before any court, tribunal or arbitrator or any other forum is pending or a decree or Award or order has been passed by any such court, tribunal, arbitrator or forum;

(e) the complaint is not frivolous or vexatious in nature; and

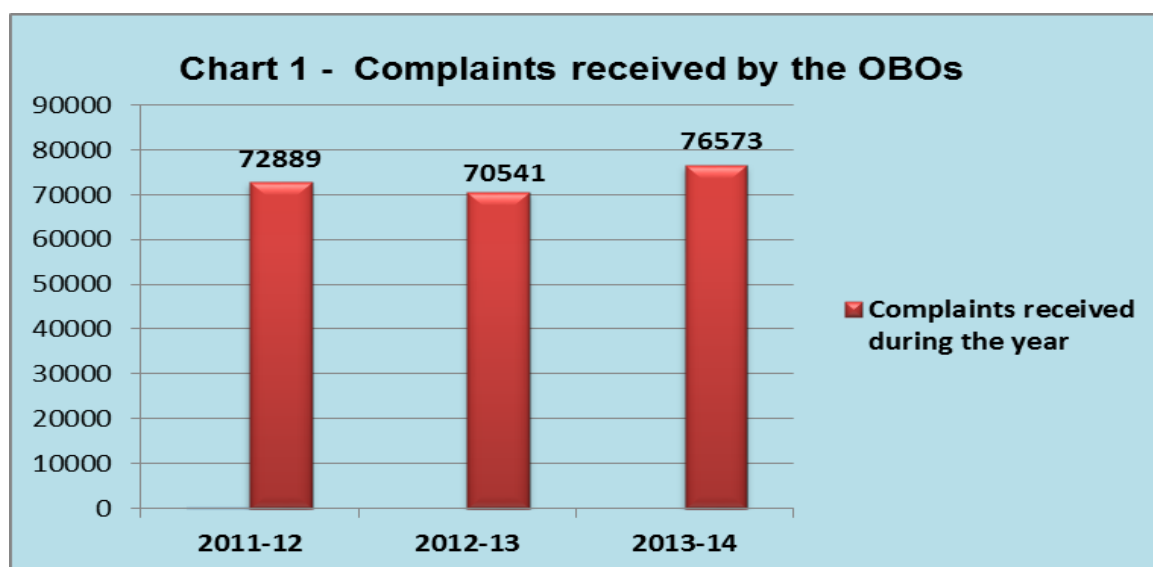
(f) the complaint is made before the expiry of the period of limitation prescribed under the Indian Limitation Act, 1963 for such claims.

### 3. Receipt of Complaints

**3.1** Fifteen OBOs covering 29 States and 7 Union Territories, handle the complaints received from bank customers regarding deficiency in banking services under the various grounds of complaints specified in the BOS. During the year 2013-14, OBOs received 76573 complaints. Comparative position of complaints received during the last three years is given in Table 1 and Chart 1.

**Table 1 - Number of complaints received by the OBOs**

	2011-12	2012-13	2013-14
No. of OBOs	15	15	15
Complaints received during the year	72889	70541	76573



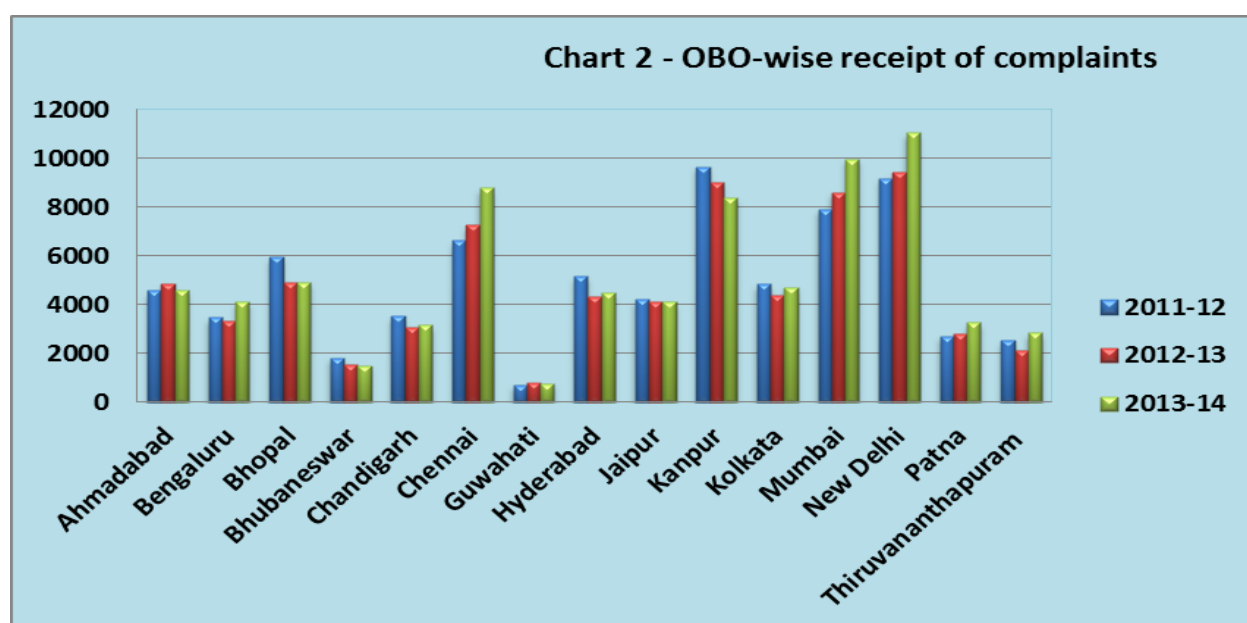
During the year 2013-14 there has been an increase of 8.55% in the number of complaints received over the previous year. Introduction of variety of banking products and services, increasing customer base coupled with rise in awareness about the grievance redress mechanism under the BOS 2006 are some of the reasons for the increase in number of complaints received at the OBOs.

## OBO-wise receipt of complaints

3.2 OBO-wise position of complaints received during the last three years is given the Table 2 and Chart 2.

**Table 2- OBO-wise receipt of complaints**

OBO	No. of complaints received during			% change in 2013-14 over 2012-13	% to total complaints
	2011-12	2012-13	2013-14		
Ahmadabad	4590	4838	4588	-5.17	5.99
Bengaluru	3486	3318	4101	23.60	5.36
Bhopal	5953	4920	4907	-0.26	6.41
Bhubaneswar	1826	1523	1498	-1.64	1.96
Chandigarh	3521	3094	3162	2.20	4.13
Chennai	6614	7255	8775	20.95	11.46
Guwahati	708	807	770	-4.58	1
Hyderabad	5167	4303	4477	4.04	5.85
Jaipur	4209	4099	4104	0.12	5.36
Kanpur	9633	9012	8389	-6.91	10.96
Kolkata	4838	4388	4698	7.06	6.13
Mumbai	7905	8607	9965	15.78	13.01
New Delhi	9180	9444	11045	16.95	14.42
Patna	2718	2785	3253	16.80	4.25
Thiruvananthapuram	2541	2148	2841	32.26	3.71
<b>Total</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>	<b>8.55</b>	<b>100%</b>



With 11045 complaints New Delhi OBO tops the list in number of complaints received. Four metro centres OBOs viz. New Delhi, Chennai, Kolkata, Mumbai and one non-metro centre OBO Kanpur put together, accounted for 56% of the total complaints received at OBOs. Zone-wise, complaints increased by 18.6% in southern zone 7.5% in eastern zone followed by 5.9 % in western zone and 4.0% in northern zone.

10 OBOs at Bengaluru, Chandigarh, Chennai, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi, Patna and Thiruvananthapuram recorded increase in the number of complaints received whereas the other five OBOs at Ahmedabad, Bhopal, Bhubaneswar, Guwahati and Kanpur recorded a decline in receipt of complaints over the previous year.

### Population group-wise distribution of complaints received

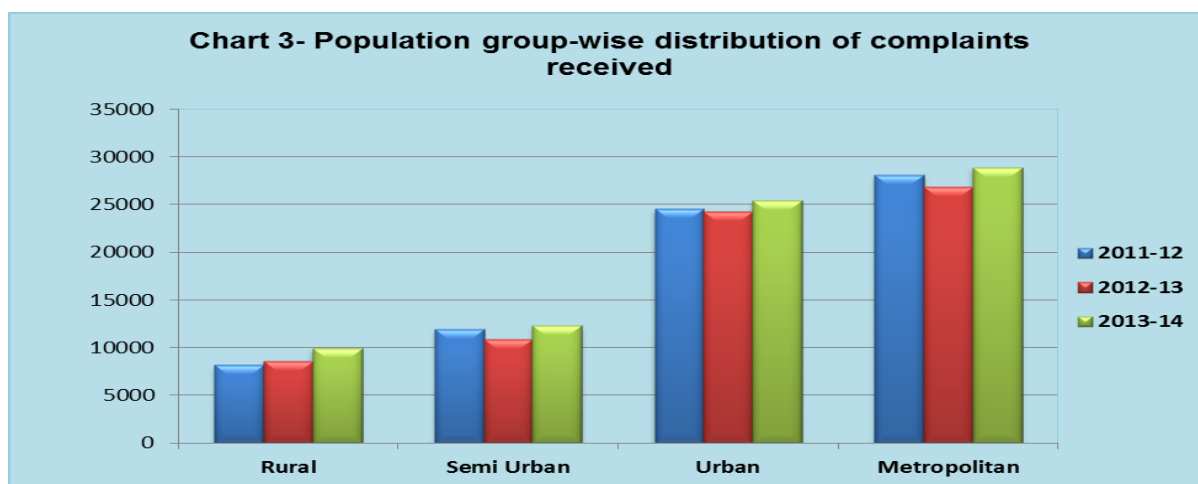
**3.3** Comparative position of last three years' Population group-wise distribution of complaints is given in Table 3 and Chart 3.

**Table 3- Population group-wise distribution of complaints received**

Population Group	No of complaints received during			% increase decrease (+ / -)
	2011-12	2012-13	2013-14	
Rural	8190 (11%)	8598 (12%)	9927 (13%)	(1%)
Semi Urban	11982 (16%)	10868 (16%)	12314 (16%)	(0)
Urban	24565 (34%)	24246 (34%)	25448 (33%)	(-1%)
Metropolitan	28152 (39%)	26829 (38%)	28884 (38%)	(0%)
<b>Total</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>	

(Figures in bracket indicate %age to total complaints of respective years.)

The source of complaints remained heavily skewed towards customers from metro / urban areas. This trend for the current year is same as the previous year. Complaints from urban and metro areas accounted for about 71% of the total complaints received. This shows that the spread of the BOS is still confined to urban and metro areas. Year-on year basis, there is a marginal increase of 1% in number of complaints received from rural areas. The continued thrust on Consumer Awareness would help in improving the position in the future.



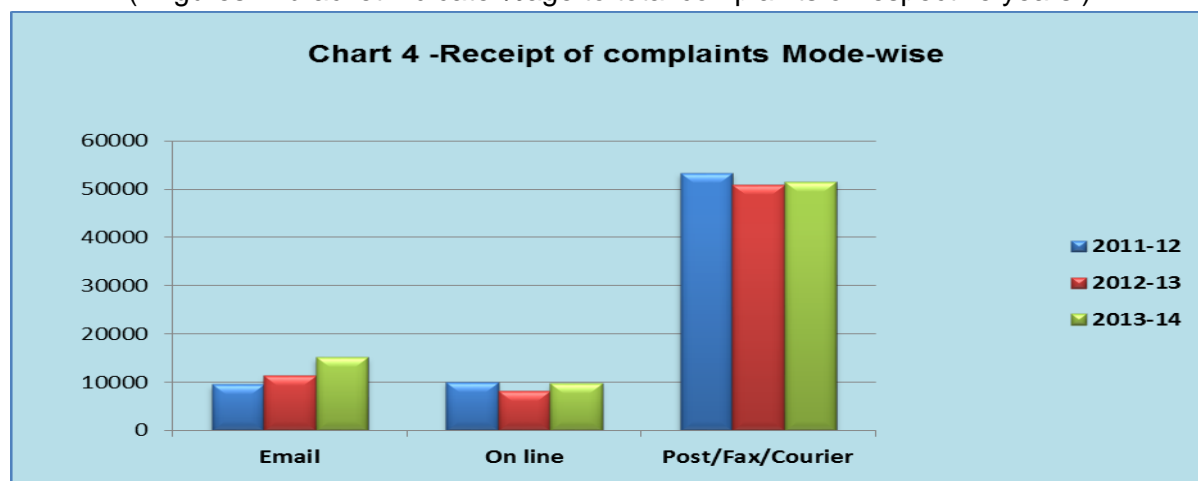
### Receipt of complaints Mode-wise

**3.4** OBOs receive complaints through diverse modes such as online, e-mails, fax, couriers, registered / ordinary posts and hand delivery. Comparative position of complaints received through different modes during the last three years is indicated in Table 4 and Chart 4.

**Table 4 – Receipt of complaints Mode-wise**

Mode	No. of Complaints received during		
	2011-12	2012-13	2013-14
e-mail	9499 (13%)	11381 (16%)	15181 (20%)
On line	10026 (14%)	8160 (12%)	9785 (13%)
Post/Fax/Courier/hand delivery	53364 (73%)	51000 (72%)	51607 (67%)
<b>Total</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>

(\*Figures in bracket indicate %age to total complaints of respective years.)





Though physical mode of lodging complaint (Post/Fax/Courier/hand delivery) still remains popular among bank customers, the electronic mode of lodging complaints (e-mail, Online) is also slowly gaining acceptability. Compared to previous year there was 28% increase in complaints lodged through electronic mode (Online and e-mail).

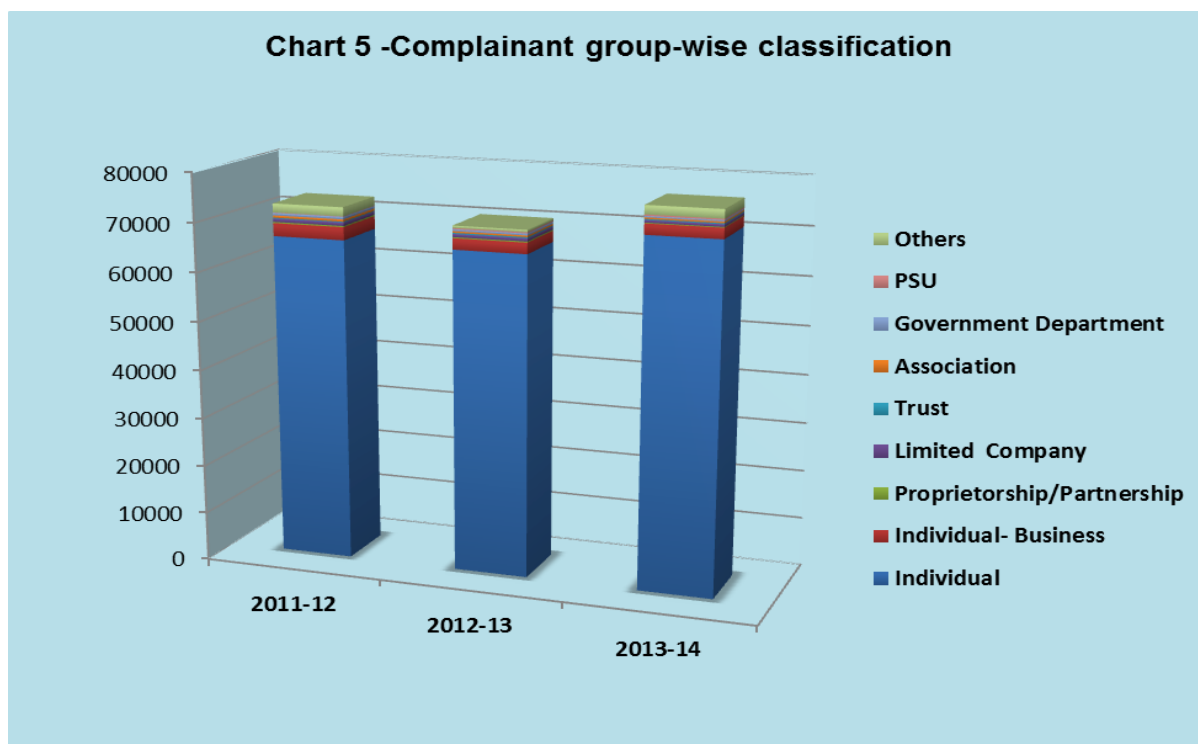
### Complainant group-wise classification

**3.5** Individual bank customers constitute the largest segment of complainants under the BOS, which is the target group of the scheme. 93% of the complaints were received from this segment. Break-up of complaints received from various segments of society is given in Table 5 and Chart 5.

**Table 5 – Complainant group-wise classification**

	Complaints Received		
	2011-12	2012-13	2013-14
Individual	66279 (91%)	65808 (93%)	70913 (92.6%)
Individual- Business	2635 (4%)	2245 (3%)	2163 (2.87%)
Proprietorship/Partnership	253 (0.3%)	227 (0.3%)	151 (0.2%)
Limited Company	690 (1%)	628 (1%)	510 (0.7%)
Trust	150 (0.2%)	213 (0.3%)	184 (0.2%)
Association	461 (0.6%)	325 (0.6%)	297 (0.4%)
Government Department	521 (0.7%)	390 (0.5%)	287 (0.4%)
PSU	80 (0.1%)	222 (0.6%)	266 (0.3%)
Others	1820 (2%)	483 (0.7%)	1802 (2.4%)
<b>TOTAL</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>

(\*Figures in bracket indicate %age to total complaints of respective years.)

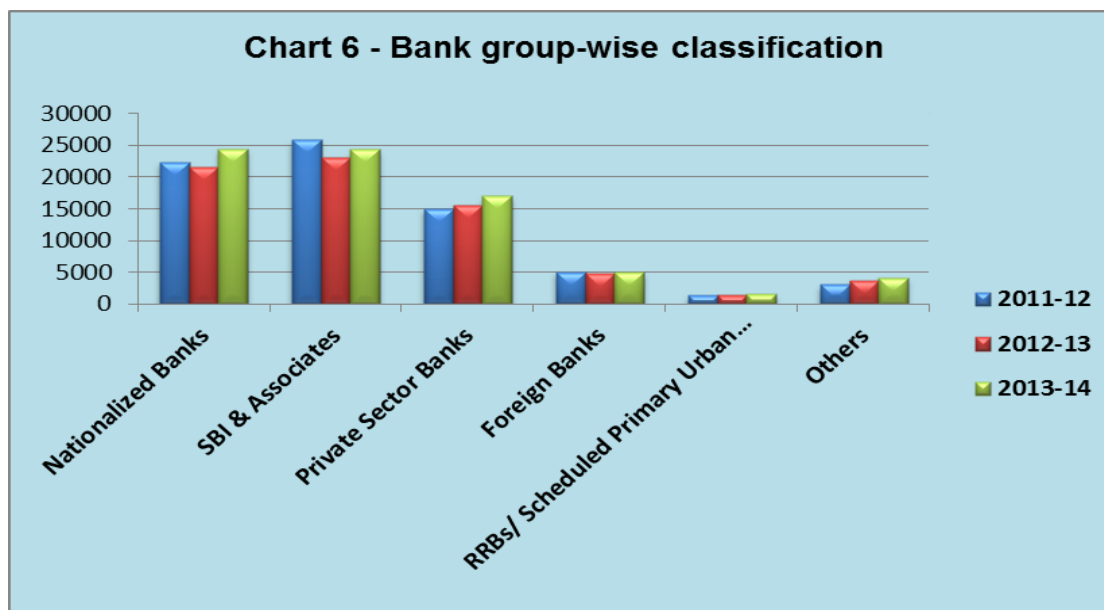


### Bank group-wise classification

**3.6** Classification of complaints received by OBOs based on bank group is indicated in the Table 6 and Chart 6.

**Table 6 - Bank group-wise classification**

Bank Group	No of Complaints Received During		
	2011-12	2012-13	2013-14
Nationalized Banks	22326 (31%)	21609 (31%)	24391 (32%)
SBI & Associates	25848 (35%)	23134 (33%)	24367 (32%)
Private Sector Banks	15090 (21%)	15653 (22%)	17030 (22%)
Foreign Banks	5068 (7%)	4859 (7%)	5016 (6.5%)
RRBs/ Scheduled Primary Urban Co-op. Banks	1439 (2%)	1489 (2%)	1590 (2%)
Others	3118 (4%)	3797 (5%)	4179 (5.5%)
<b>Total</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>



It may be seen that Public Sector Banks accounted for 64% of the total complaints received shared equally between SBI & its Associates and other nationalized banks. Private Sector Banks accounted for 22% whereas Foreign Banks received 6.5% of total complaints received. Regional Rural Banks and Scheduled Urban Co-operative Banks received 2% of the complaints received. 5.5% of the complaints were against other non-bank entities not covered under the BOS.

The detailed bank-wise (Scheduled Commercial Banks) and complaint category-wise break-up of complaints received during the year 2013-14 is given in the Annex V.

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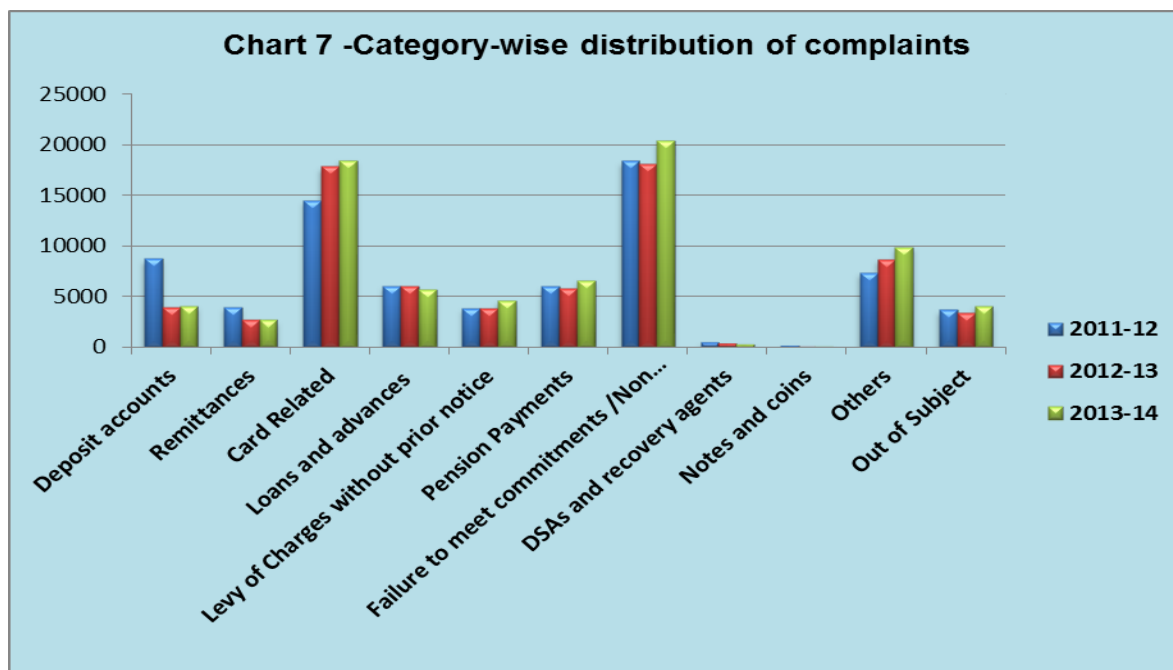
## 4. Nature of Complaints Handled

**4.1** There are 27 grounds of complaints regarding deficiency in banking services specified under Clause 8 of BOS 2006 for which complaints can be lodged with the OBO. Complaints received under these grounds are broadly categorized into major heads indicated in the Table 7 and Chart 7.

**Table 7 – Category-wise distribution of complaints**

	No of complaints received		
	2011-12	2012-13	2013-14
Deposit accounts	8713 (12%)	3913 (6%)	4032 (5.3%)
Remittances	3928 (5%)	2664 (4%)	2659 (3.5%)
Card Related (ATM/ Debit / Credit Card)	14492 (21%)	17867 (25%)	18474 (24.1%)
Loans and advances	6016 (8%)	5996 (9%)	5655 (7.4%)
Levy of Charges without prior notice	3806 (5%)	3817 (5%)	4547 (5.9%)
Pension Payments	5944 (8%)	5740 (8%)	6555 (8.5%)
Failure to meet commitments /Non observance of fair practices code/BCSBI Codes	18365 (25%)	18130 (26%)	20368 (26.6%)
DSAs and recovery agents	459 (1%)	351 (0.8%)	295 (0.4%)
Notes and coins	165 (0.2)	56 (0.2%)	63 (0.1%)
Others	7327 (10%)	8635 (12%)	9861 (12.9%)
Out of Subject	3674 (5%)	3372 (5%)	4064 (5.3%)
<b>Total</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>

(Figures in bracket indicate %age to total complaints of respective years.)



**4.2** Complaints pertaining to failure to meet commitments, non-observance of fair practices code, BCSBI Codes taken together constituted largest category of complaints with 26.6% of the complaints received. A large number of complaints in this category indicate the lack of awareness about these Codes amongst bank staff as also the customers. It also reveals the lack of bank's commitment to adhere to agreed terms & conditions. There is a need for the banks to devote special attention to this aspect and provide appropriate training to their front level staff regarding these Codes.

**4.3** Card related complaints comprised 24.1% of the total complaints and formed the second largest category of complaints. There was a marginal decline of 0.9% in card related complaints over the previous year. Out of total 18474 card related complaints 10714 complaints were pertaining to ATM/Debit Cards. Broadly, the reasons for these card-related complaints are issue of unsolicited cards, sale of unsolicited insurance policies and recovery of premium, charging of annual fees in spite of being offered as 'free' card, authorization of loans over phone, wrong billing, settlement offers conveyed telephonically, non-settlement of insurance claims after the demise of the card holder, exorbitant charges, wrong debits to account, non-dispensation/short dispensation of cash from ATM, skimming of cards, fraudulent withdrawals using debit/credit cards etc.

**4.4** Pension related complaints which stood at 8.5% of the total complaints received, recorded a marginal increase of 0.5% over the last year. These complaints were mainly regarding delayed payments, errors in calculations and difficulties in switching over to family pension.

**4.5** Complaints on 'loans and advances' accounted for 7.4 % of the total complaints received during the year. These complaints mainly pertained to non-sanction/delay in sanction of loans, charging of excessive rate of interest, non-return of title deeds, non-issuance of no due certificate, wrong reporting to CIBIL etc.

**4.6** 5.9% of the complaints received pertained to the category of 'levy of charges without prior notice'. These were mainly regarding charges for non-maintenance of minimum balance, processing fees, pre-payment penalties in loan accounts, cheque collection charges, etc.

**4.7** Complaints in the category of 'Deposit Accounts' constituted 5.3 % of complaints received. Delays in credit, non-credit of proceeds to parties accounts, non-payment of deposit or non-observance of the Reserve Bank directives, if any, applicable to rate of interest on deposits in savings, current or other account maintained with a bank were the major reasons for complaints in this category.

**4.8** Non-payment or delay in payment of inward remittances, Non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc were some of the reasons for 3.5% complaints received under the category of 'Remittances'

**4.9** 12.9% complaints received under 'Others' category include complaints relating to other grounds of complaints under the BOS such as, those related to non-adherence to prescribed working hours, delay in providing banking facilities, refusal or delay in accepting payment towards taxes as required by RBI/Government, refusal or delay in issuing/servicing or redemption of government securities, non-adherence to RBI directives, etc.

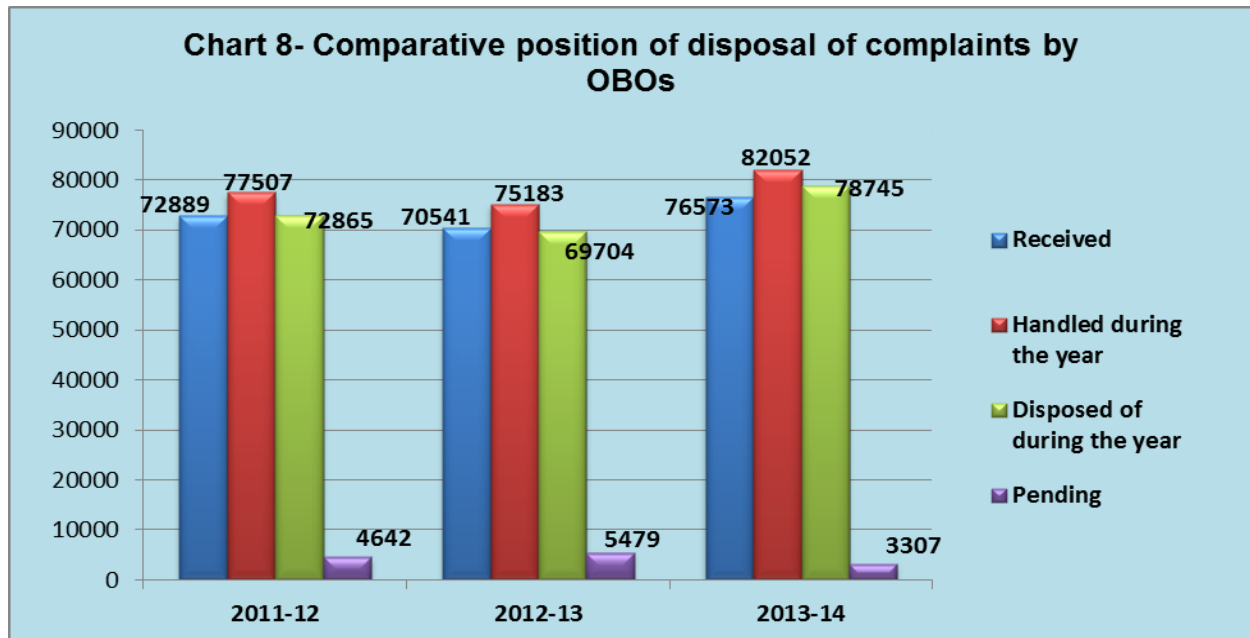
**4.10** Complaints received under the category of 'Out of Subject' are those which are not under the grounds of complaints specified under the BOS. 5.3% of the complaints received during the year were under this category. Lack of awareness about applicability of the BOS is the major reason for receipt of such complaints.

## 5. Disposal of Complaints

**5.1** Table 8 and Chart 8 below indicate a comparative position of disposal of complaints by OBOs. During the year 2013-14, OBOs handled 82052 complaints. This, comprised of 5479 complaints brought forward from the previous year and 76573 complaints received during the year under review. OBOs disposed 96% of the complaints handled during the year.

**Table 8- Comparative position of disposal of complaints by OBOs**

Number of complaints	Year		
	2011-12	2012-13	2013-14
Received during the year	72889	70541	76573
Brought forward from previous year	4618	4642	5479
Handled during the year	77507	75183	82052
Disposed of during the year	72865	69704	78745
Rate of Disposal (%)	94%	93%	96%
Carried forward to the next year	4642	5479	3307



BO office wise position of complaints disposed during the year 2013-14 is indicated in Table 9 below:

**Table 9 - BO office wise position of complaints disposed during 2013-14:**

OBO	Complaints pending at the beginning of the Year	Complaints Received during the Year	Complaints handled	Complaints Disposed	Pending at the end of the year	Rate of Disposal (%)
Ahmedabad	72	4588	4660	4606	54	99%
Bengaluru	97	4101	4198	4040	158	96%
Bhopal	283	4907	5190	4947	243	95%
Bhubaneswar	68	1498	1566	1552	14	99%
Chandigarh	373	3162	3535	3315	220	94%
Chennai	653	8775	9428	9187	241	97%
Guwahati	82	770	852	813	39	95%
Hyderabad	568	4477	5045	4803	242	95%
Jaipur	80	4104	4184	4134	50	99%
Kanpur	771	8389	9160	8711	449	95%
Kolkata	465	4698	5163	5005	158	97%
Mumbai	655	9965	10620	10045	575	95%
New Delhi	1091	11045	12136	11480	656	95%
Patna	97	3253	3350	3275	75	98%
Thiruvananthapuram	124	2841	2965	2832	133	95%
<b>Total</b>	<b>5479</b>	<b>76573</b>	<b>82052</b>	<b>78745</b>	<b>3307</b>	<b>96%</b>

### Classification of complaints- Maintainable / Non Maintainable

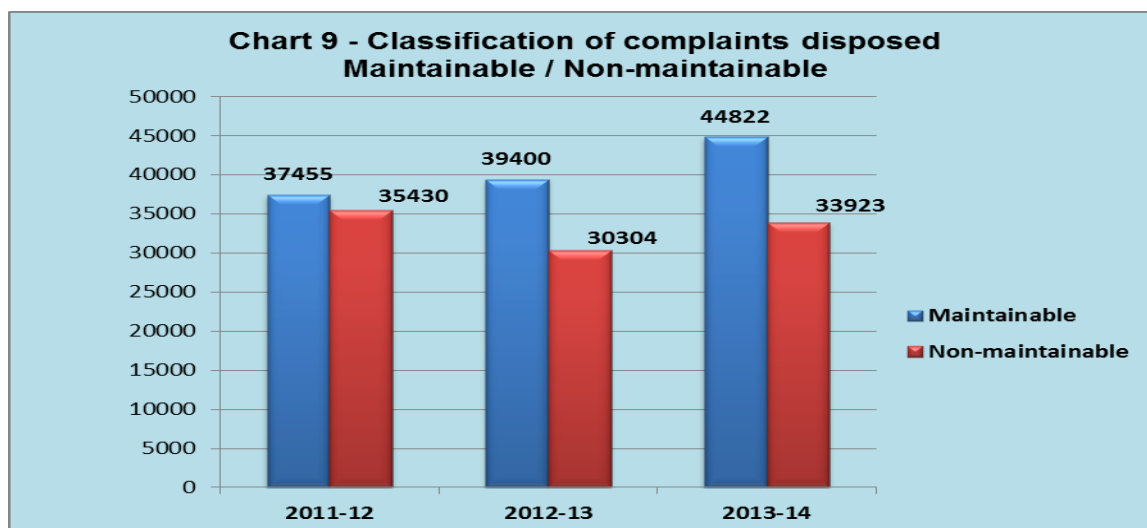
**5.2** The complaints which do not pertain to grounds of complaint specified in Clause 8 of the BOS and those complaints where procedure for filing the complaint laid down in Clause 9 of the BOS is not followed are classified as 'non-maintainable'. All other complaints are classified as 'maintainable' and dealt with as per the provisions of the BOS 2006.

Table 10 and Chart 9 indicate classification of maintainable and non-maintainable complaints disposed by all the OBOs during the last three years. Of the 78745 complaints disposed during the year 2013-14, 57% complaints were maintainable.

**Table-10 Classification of complaints disposed-Maintainable / Non-maintainable**

	2011-12	2012-13	2013-14
<b>Complaints Disposed</b>	72885	69704	78745
<b>Maintainable</b>	37455 (51%)	39400 (56%)	44822 (57%)
<b>Non-maintainable</b>	35430 (49%)	30304 (44%)	33923 (43%)





Over the period of last three years, percentage of maintainable complaints has increased gradually from 51% in 2011-12 to 57% in 2013-14 which indicates that the BO Scheme is becoming visible and accessible to the customers. The increasing number of maintainable complaints is indicative of effectiveness of efforts of OBOs to spread awareness about applicability of BOS among the bank customers.

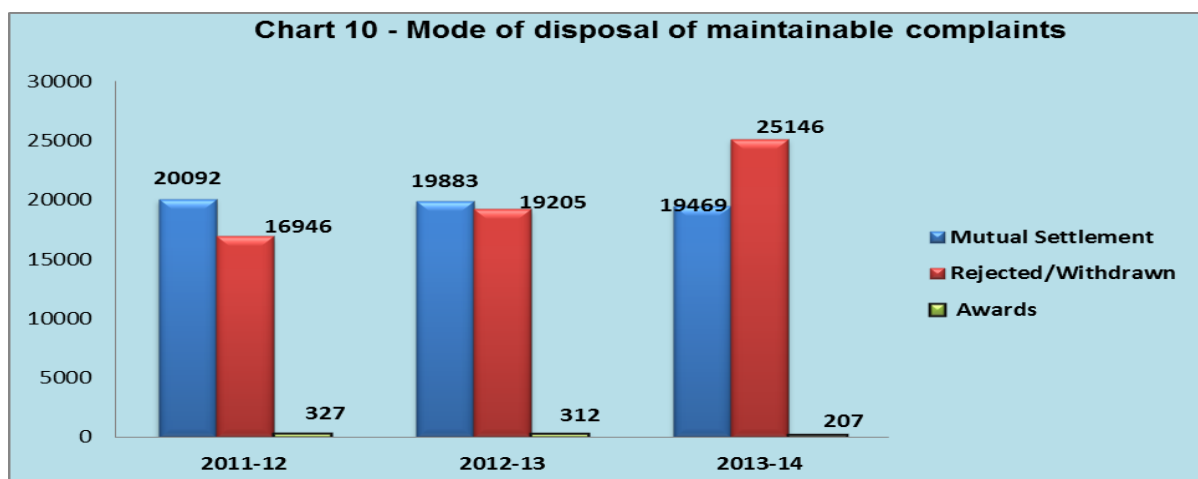
#### **Mode of disposal of maintainable complaints**

**5.3** In terms of Clause 7 (2) of the BOS, the BO shall facilitate resolution of complaints by settlement, by agreement or through conciliation and mediation between the bank and the aggrieved parties or by passing an Award in accordance with the Scheme. The BOs accord first priority to resolution of complaint by mutual agreement by mediation and conciliation. Issuing Award is the last resort when mutual agreement is not possible. Over the last three years the percentage of disposal by mutual agreement is witnessing declining trend.

Table 11 and Chart 10 below indicate the mode of disposal of Maintainable complaints.

**Table 11 - Mode of disposal of maintainable complaints**

<b>Disposal of Maintainable Complaints</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
By Mutual Settlement/agreement	20092 (54%)	19883 (50%)	19469 (43.5%)
Disposal by Award	327 (1%)	312 (1%)	207 (0.5%)
Maintainable Complaints rejected / withdrawn	16946 (45%)	19205 (49%)	25146 (56%)
<b>Total maintainable complaints disposed</b>	<b>37365</b>	<b>39400</b>	<b>44822</b>



43.5% of the maintainable complaints received during the year were resolved by mutual settlement. Awards were passed in less than 1% of the cases, whereas 56% of the complaints were rejected / withdrawn. Major reasons for rejection of maintainable complaints were, amount of compensation claimed out of pecuniary jurisdiction of the BO, complaints requiring consideration of elaborate documentary and oral evidence and the proceedings before the Banking Ombudsman are not appropriate for adjudication of such complaints, complaints without sufficient cause, complaints where no loss or damage or inconvenience is caused to the complainant.

### Awards Issued

**5.4** During the year BOs issued 207 Awards. OBO-wise position of Awards issued during the year 2013-14 is indicated in Table 12 below:

**Table 12 - BO office wise position of Awards issued during the year 2013-14**

OBO	Awards Issued
Ahmedabad	0
Bengaluru	1
Bhopal	0
Bhubaneswar	30
Chandigarh	3
Chennai	2
Guwahati	3
Hyderabad	19
Jaipur	64
Kanpur	32
Kolkata	20
Mumbai	8
New Delhi	23
Patna	0
Thiruvananthapuram	2
<b>Total</b>	<b>207</b>

## Non-Maintainable complaints

**5.5** Non-maintainable complaints include first resort complaints, subject matter of the complaint outside the ambit of the scheme, complaints outside the BO's jurisdiction, complaints against entities other than banks, time-barred complaints, pending in Courts/other fora, frivolous complaints etc. In all such cases the complainant is advised about the reason for his complaint being not processed under the BOS. During the year 2013-14, 43% of the complaints received were non-maintainable. However, over the last three years, this percentage has come down from 49% to 43%.

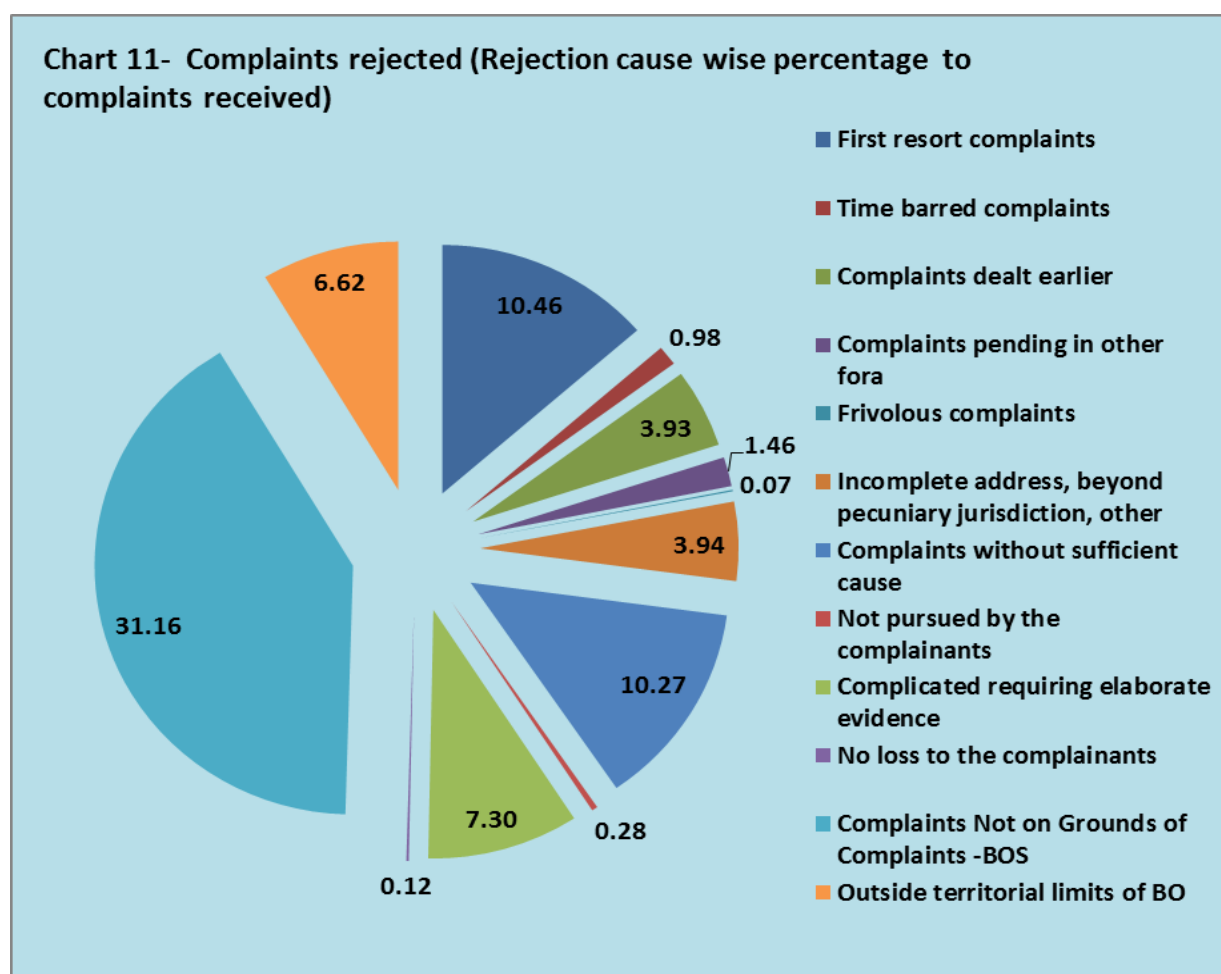
## Reasons for rejection of complaints

**5.6** Table 13 and Chart 11 indicate reasons for rejection of complaints.

**Table 13 - Complaints rejected**

Reasons	2011-12	2012-13	2013-14
First resort complaints	14352 (19.69%)	8660 (12.28%)	8007 (10.46%)
Time barred complaints	778 (1.07%)	683 (0.97%)	753 (0.98%)
Complaints dealt earlier	2771 (3.80%)	2634 (3.73%)	3009 (3.93%)
Complaints pending in other fora	705 (0.97%)	955 (1.35%)	1117 (1.46%)
Frivolous complaints	32 (0.04%)	31 (0.04%)	55 (0.07%)
Incomplete address, beyond pecuniary jurisdiction, pertaining to other institutions/ departments, miscellaneous unrelated complaints, etc	3144 (4.31%)	3039 (4.31%)	3020 (3.94%)
Complaints without sufficient cause	5268 (7.23%)	4705 (6.67%)	7861 (10.27%)
Not pursued by the complainants	62 (0.09%)	55 (0.08%)	218 (0.28%)
Complicated requiring elaborate evidence	4328 (5.94%)	5340 (7.57%)	5588 (7.30%)
No loss to the complainants	43 (0.06%)	44 (0.06)	93 (0.12%)
Not on Grounds of Complaints (Clause 8 or sub-clause (3) of clause 9 of the Scheme	17867 (24.51%)	19217 (27.24%)	24090 (31.46%)
Outside territorial limits of BO	3026 (4.15%)	4028 (5.71%)	5072 (6.62%)
<b>Total Rejected Complaints (Maintainable &amp; Non-maintainable)</b>	<b>52376</b>	<b>49391</b>	<b>58883</b>
<b>Total Complaints Received</b>	<b>72889</b>	<b>70541</b>	<b>76573</b>

(Figures in bracket indicate %age to total complaints received of respective years.)



**5.6. i Complaints Not on Grounds of Complaints :** These are complaints, which do not cover the grounds of complaints specified under Clause 8 of the BOS and also those complaints which violate Clause 9 (3) of the BOS. During the year 31.46% of the complaints received were rejected for these reasons. High percentage of rejection on these grounds highlights an imperative need for educating bank customers about applicability of the provisions of the BOS.

**5.6. ii First resort complaints:** In terms of Clause 9 (3) (a) of the BOS the complainant should first approach the respective bank for redress of the grievance. If no reply is received from the bank within one month or the complainant is not satisfied with bank's reply, then he/she can approach the BO. Such complaints, where the complainants directly approach the BO are treated as First Resort Complaints (FRC) and rejected. The complainant is advised accordingly and the complaint is forwarded to the concerned bank for suitable action. 10.46% of the

complaints received during the year 2013-14 were First Resort Complaints and hence rejected.

FRCs are also received through online complaint form placed on the website of the RBI. Such FRCs are forwarded to the concerned bank online. During the year 2013-14, 8385 FRCs received through online complaint form were diverted directly to concerned banks. OBOs also have option to send the FRCs received physically in their offices to concerned banks through this module, which provides for uploading of scanned documents. During the year OBOs forwarded 5038 FRCs to concerned banks using this module.

**5.6.iii Complaints without sufficient cause :** 10.27% of the complaints received were rejected, as in the opinion of the BOs there was no sufficient cause for complaint. Clause 13 (d) of the BOS empowers the BOs to reject the complaint at any stage if it appears to him that the complaint is made without sufficient cause.

**5.6.iv Complicated, requiring elaborate evidence :** In terms of Clause 13 (c) of the BOS the BO may reject the complaint at any stage if he is of the opinion that the complaint requires consideration of elaborate documentary and oral evidence and the OBO is not an appropriate forum for adjudication of such complaint. 7.30% of the complaints received during the year were rejected for this reason.

**5.6.v Outside territorial limits of BO :** Territorial jurisdiction of the BO has been specified by RBI in terms of Clause 7(1) of the BOS. The authority of each BO extends to their respective territorial jurisdiction. In terms of Clause 9 (1) the complainant has to approach the BO within whose jurisdiction the branch or office of the bank complained against is located. During the year 6.62% of the complaints were rejected as these were not pertaining to the jurisdiction of respective BOs. However, such complaints are generally forwarded to the BO office to which the complaint pertains.

**5.6.vi Rejection of complaints due to other reasons :** Time barred complaints, dealt earlier, complaints pending in other fora, frivolous complaints, incomplete address, beyond pecuniary jurisdiction, pertaining to other institutions/ departments, miscellaneous unrelated complaints etc. not pursued by the complainants, complaints involving no loss to the complainants, were other reasons for rejection of complaints.

### Age –wise classification of pending complaints

5.7 Table 14 and Chart 12 below indicate age-wise classification of pending complaints.

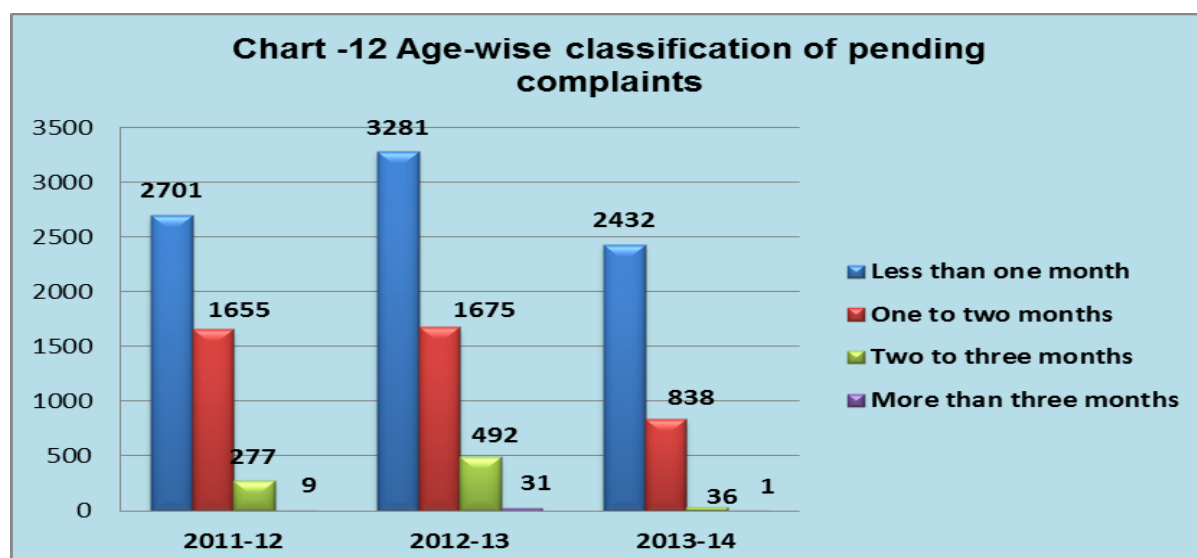
**Table 14- Age-wise classification of pending complaints**

Pending up to	June 30, 2012	June 30, 2013	June 30, 2014
1 Month	2701 (3.42%)	3281 (4.36%)	2432 (3%)
1-2 Months	1655 (2.13%)	1675 2%	838 (1%)
2-3 Months	277 (0.35%)	492 0.60%	36 (0.04%)
More than 3 Months	9 (0.1%)	31 0.04%	1 (0.001%)
Total Pending	<b>4642</b> <b>(6%)</b>	<b>5479</b> <b>(7%)</b>	<b>3307</b> <b>(4%)</b>
Complaints handled	<b>77507</b>	<b>75183</b>	<b>82052</b>

(Figures in bracket indicate %age to complaints handled during respective years.)

OBOs disposed 96% of the complaints handled during the year 2013-14. At the end of the year 3307 (4%) complaints were pending at all OBOs. Out of these, 3% of the complaints were pending for a period of less than one month, 1% complaints were pending for a period between one to two months, 0.04% complaints were pending for a period between two to three months and only 0.001% complaints were pending beyond three months.

Though BOS does not specify time limit for resolution of complaints, OBOs endeavor to resolve the complaints within a minimum possible time. Priority is not to spill over the resolution beyond two months. However, in some cases resolution gets delayed beyond this desirable period due to reasons such as insufficient information/documents submitted, delays in getting information from parties etc.

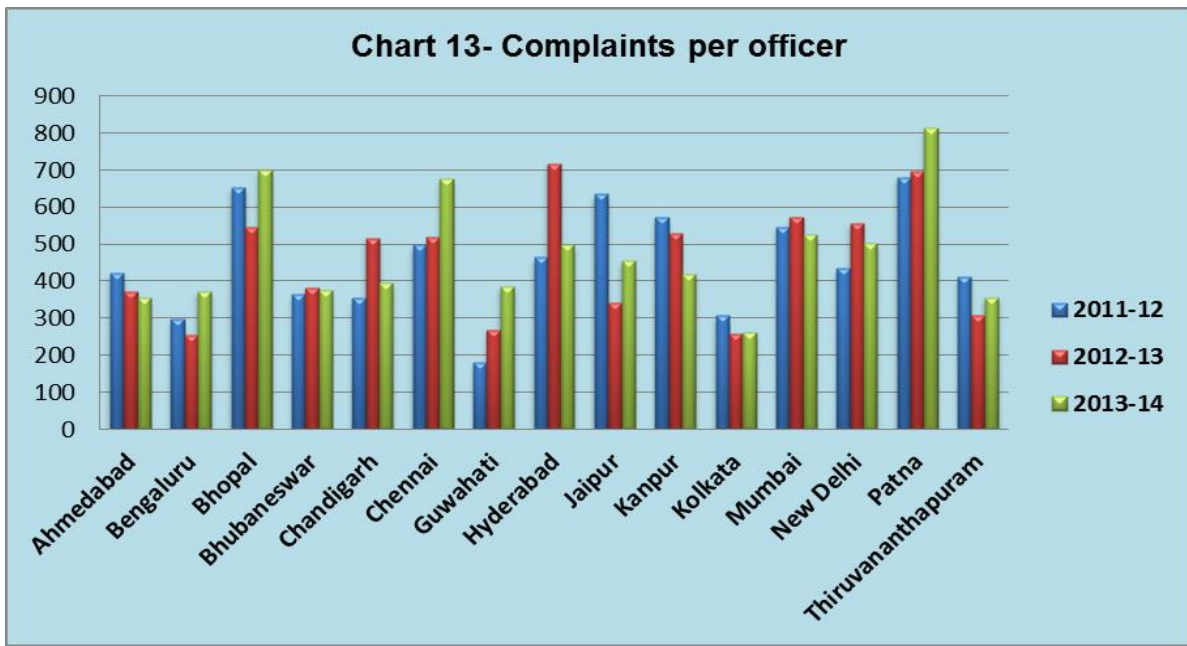


## Complaints per officer

5.8 Table 15 and Chart 13 below indicate complaints 'per officer' in respective OBOs.

**Table 15 – Complaints per officer**

Office	2011-12			2012-13			2013-14		
	No. of complaints received	No. of officers	No. of complaints per officer	No. of complaints received	No. of officers	No. of complaints per officer	No. of complaints received	No. of officers	No. of complaints per officer
Ahmedabad	4624	11	420	4838	13	372	4588	13	353
Bengaluru	3562	12	297	3318	13	255	4101	11	372
Bhopal	5874	9	653	4920	9	547	4907	7	701
Bhubaneswar	1819	5	364	1523	4	381	1498	4	374
Chandigarh	3534	10	353	3094	6	516	3162	8	395
Chennai	6458	13	497	7255	14	518	8775	13	675
Guwahati	722	4	181	807	3	269	770	2	385
Hyderabad	5107	11	464	4303	6	717	4477	9	497
Jaipur	4444	7	635	4099	12	342	4104	9	456
Kanpur	9713	17	571	9012	17	530	8389	20	419
Kolkata	4606	15	307	4388	17	258	4698	18	261
Mumbai	7650	14	546	8607	15	574	9965	19	524
New Delhi	9583	22	436	9444	17	556	11045	22	502
Patna	2718	4	680	2785	4	696	3253	4	813
Thiruvananthapuram	2471	6	412	2148	7	307	2841	8	355
<b>All India</b>	<b>72889</b>	<b>160</b>	<b>454</b>	<b>70541</b>	<b>157</b>	<b>449</b>	<b>76573</b>	<b>167</b>	<b>459</b>



On an average each officer in the OBOs received 459 complaints this year.

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## 6. Cost of Running the Scheme

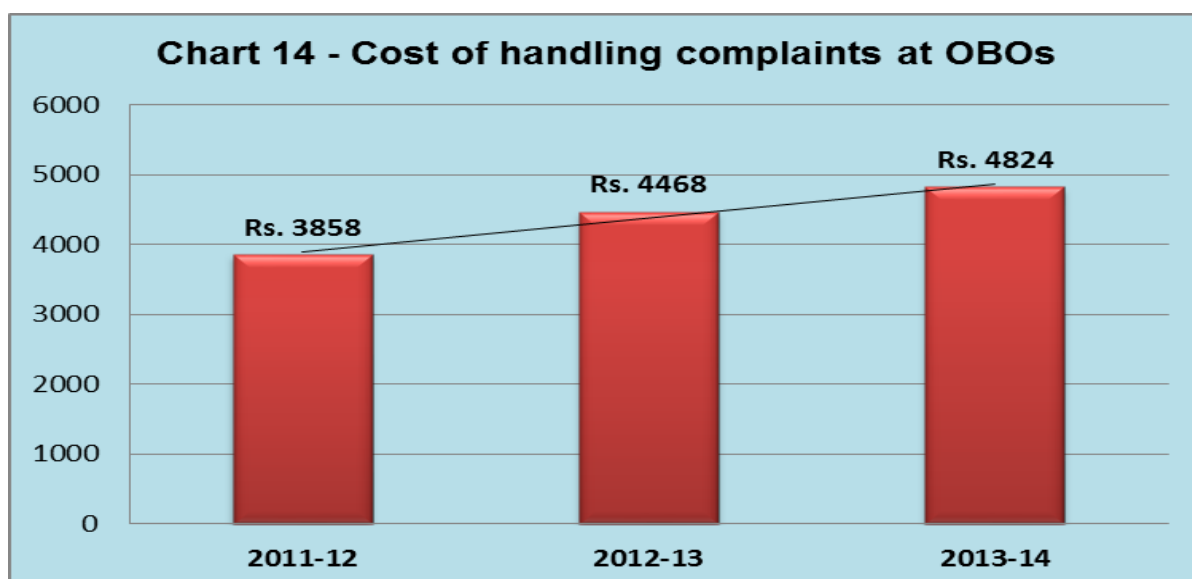
**6.1** The total expenditure incurred for running the BOS is fully borne by the RBI. The expenditure includes the revenue expenditure and capital expenditure incurred on administration of the BOS. The revenue expenditure includes establishment items like salary and allowances of the staff attached to OBOs and non-establishment items such as rent, taxes, insurance, law charges, postage and telegram charges, printing and stationery expenses, publicity expenses, depreciation and other miscellaneous items. The capital expenditure items include furniture, electrical installations, computers/related equipment, telecommunication equipment and motor vehicle.

Average cost incurred for handling a complaint under the BOS 2006 is indicated in Table 16 and Chart 14.

**Table 16- Cost of handling complaints at OBOs**

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Total Cost (₹ Million)	281	315	369
Complaints Received	72889	70541	76573
Average Cost of handling a Complaint (₹)	3858	4468	4824

During the last three years the aggregate cost of running the BOS has increased from ₹ 281 million in 2011-12 to ₹ 369 million in 2013-14. Average cost of handling a complaint has increased from ₹ 3858 (in 2011-12) to ₹ 4824 per complaint during this period.



BO Office wise 'Per-Complaint Cost' for the year 2013-14 is given in Table 17:

**Table 17 - OBO wise 'Per-Complaint Cost' for the year 2013-14**

<b>OBO</b>	<b>Per Complaint Cost (₹)</b>
Ahmedabad	6503
Bengaluru	4779
Bhopal	4671
Bhubaneswar	11015
Chandigarh	4607
Chennai	3854
Guwahati	17201
Hyderabad	3307
Jaipur	6121
Kanpur	4298
Kolkata	6093
Mumbai	4596
New Delhi	2720
Patna	5537
Thiruvananthapuram	7194

## 7. Appeals against the Decisions of the BOs

**7.1** In terms of Clause 14 of the BOS 2006, any person aggrieved by an Award issued by the BO under clause 12 or rejection of a complaint for the reasons referred to in sub clauses (d) to (f) of clause 13, can prefer an appeal before the Appellate Authority designated under the Scheme within 30 days of the date of receipt of communication of Award or rejection of complaint. The Deputy Governor in charge of the department of RBI administering the Scheme (Consumer Education and Protection Department) is the designated Appellate Authority under the BOS 2006. The secretarial assistance to the Appellate Authority is provided by the Consumer Education and Protection Department.

Position of appeal handled by the Appellate Authority during the year 2013-14 is given in the Table 18 below.

**Table 18- Position of appeals**

<b>Particulars</b>	<b>No of Appeals</b>
Appeals received during the year from Complainants	87
Appeals received during the year from Banks	20
Total appeals handled during the year	107
Appeal disposed during the year	77
Pending at the end of the year	30
<b>Mode of Disposal</b>	
Appeals remanded to the BO for review	1
Appeals withdrawn / settled	3
Appeals rejected	61
Appeals allowed	12
<b>Appeals Disposed during the year</b>	<b>77</b>
In favour of customers	60
In favour of banks	13

**7.2** During the year 107 appeals were received against the decisions of BOs. Out of these 77 appeals were disposed during the year. In 60 cases the Appellate Authority's decision was in favour of customers whereas in 13 cases it was in favour of banks.

The OBO wise position of appeals received during the year 2013-14 is given in the Table 19.

**Table 19 - OBO wise position of appeals received during the year 2013-14**

<b>OBO</b>	<b>No of Appeals</b>
Ahmedabad	0
Bengaluru	12
Bhopal	0
Bhubaneswar	40
Chandigarh	8
Chennai	3
Guwahati	7
Hyderabad	3
Jaipur	12
Kanpur	1
Kolkata	1
Mumbai	14
New Delhi	0
Patna	5
Thiruvananthapuram	1
<b>Total</b>	<b>107</b>

### **Representations to review the complaints closed under non-appealable clauses of the BOS 2006**

**7.3** In terms of Clause 14 (1) of BOS 2006 complaints rejected under Clause 13 a, b & c of the Scheme, the decision given by the BO is non-appealable. Still, representations from the complainants to reopen complaints rejected under these non-appealable Clauses from complainants are received in the Consumer Education and Protection Department, the Secretariat of the Appellate Authority. During the year 531 such representations were received out of which 503 representations were disposed leaving 28 representations pending at the end of the year. In respect of 503 representations disposed, there was no ground calling for re-opening the case.

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## 8. Complaints received through Centralised Public Grievance Redress and Monitoring System (CPGRAMS)

CPGRAMS is a web based application developed by the Department of Administrative Reforms and Public Grievances of Government of India empowering the citizens to lodge their complaints online and also enabling redress action within a prescribed time limit. Government Departments, banks are sub-ordinate offices under this system to receive and redress complaints forwarded through this portal. The Consumer Education and Protection Department, RBI is the Nodal Office for RBI. Fifteen OBOs and some of the Central Office Departments of RBI are sub-ordinate offices. Position of complaints received by OBOs during the year 2013-14 is given in Table 20 below.

**Table 20 - Position of Complaints received through CPGRAMS**

OBO	Complaints received	Complaints Disposed	Pending
Ahmedabad	12	11	1
Bengaluru	14	14	0
Bhopal	5	5	0
Bhubaneswar	3	3	0
Chandigarh	9	8	1
Chennai	29	28	1
Guwahati	2	2	0
Hyderabad	13	11	2
Jaipur	2	2	0
Kanpur	24	24	0
Kolkata	22	22	0
Mumbai	40	39	1
New Delhi	72	71	1
Patna	8	8	0
Thiruvananthapuram	6	6	0
<b>Total</b>	<b>261</b>	<b>254</b>	<b>7</b>

## 9. Applications received under Right to Information Act, 2005

The Banking Ombudsmen have been designated as the Central Public Information Officers under the Right to Information Act 2005 to receive applications and furnish information relating to complaints handled by the OBOs. During the year OBOs received 596 applications under RTI Act. The OBO wise position is indicated in the Table 21

**Table 21 - Applications received by OBOs under RTI Act (2013-14)**

OBO	Applications received
Ahmedabad	11
Bengaluru	11
Bhopal	13
Bhubaneswar	4
Chandigarh	21
Chennai	81
Guwahati	9
Hyderabad	40
Jaipur	51
Kanpur	131
Kolkata	28
Mumbai	62
New Delhi	90
Patna	31
Thiruvananthapuram	13
<b>Total</b>	<b>596</b>

## **10. Other Important Developments**

### **Annual Conference of Banking Ombudsmen 2014**

**10.1** The Annual Conference of Banking Ombudsmen was held in the Reserve Bank of India, Mumbai on January 30, 2014. The Conference was inaugurated by Dr. Raghuram G. Rajan Governor, Reserve Bank of India who also released the Annual Report of Banking Ombudsman Scheme for year 2012-2013 in 'soft copy'. The Governor appreciated the 'go green' effort. In his inaugural remarks, Governor stated that customer protection was at the forefront of RBI's attention and its regulatory initiatives.

Dr. K.C. Chakrabarty, Deputy Governor, RBI chaired the Conference. Dr. (Smt.) Deepali Pant Joshi, Executive Director, RBI welcomed the participants. Dr. K.C. Chakrabarty addressed the Banking Ombudsmen and also held structured interactions with those present.

Dr. Nachiket Mor, Director, Central Board of RBI, a Guest Speaker discussed the idea of suitability of products and services and other recommendations of the Committee on Comprehensive Financial Services for Small Businesses and Low Income Households chaired by him. Ms Monika Halan, Editor Livemint, another Guest Speaker, spoke on the need for protecting the rights of small and vulnerable customers.

All fifteen Banking Ombudsmen, CMDs/CEOs of major public/ private sector banks, representatives of major foreign banks, Chief Executive of Indian Banks' Association, Chairman of BCSBI, MD & CEO of NPCI, MD of CIBIL, Member SEBI, Director, CAFRAL attended the Conference.

Action points for IBA and banks which emanated from the discussions with the Governor are given in the Box III.

**Box-III**

**Action Points of Annual BO Conference 2014 for IBA-Banks for improving Customer Protection**

1. Banks and IBA to work together on rolling out a wide impact media campaign for improving financial literacy, creating awareness of products and commitment of banks to Fair Practices Codes. The Depositors' Education and Awareness Fund and banks' own advertisement budget may be used for the purpose.
2. IBA may issue instructions at the earliest to banks to discontinue levy of pre-payment penalty on all floating rate loans and ensure that fixed rate loans are truly fixed and are not referenced to any floating rate benchmark. **(Implemented – RBI has issued instructions prohibiting banks from levying foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.)**
3. Banks may discontinue the practice of levying penalty for non-maintenance of minimum balance in ordinary savings bank accounts and instead consider converting such accounts to Basic Savings Bank Deposit accounts. IBA/RBI may issue the necessary operational instructions to banks in this regard.
4. Interest rates charged on credit card overdue were inordinately high and out of alignment with other products with similar risk profiles. There should be reasonableness of such charges. Banks to revisit the charges levied to ensure reasonableness, fairness and transparency in pricing. IBA to issue detailed operational guidelines to banks in this regard.
5. Banks and IBA to formulate policy on zero liability of customer in electronic banking transactions, where the bank is unable to establish customer level negligence. The onus of proving customer level negligence would be on the bank and when such negligence is not established beyond doubt, the benefit of such doubt may be given to the customer. IBA and banks should strive to put in place policies, systems and processes to secure electronic banking systems, protect customer's interest to bring it 'at par' with traditional delivery channels.
6. Banks and IBA to revisit the 'reasonableness' of the proposed levy of charge for transactions done by customers at banks' own ATMs.



## **Principal Nodal Officers Conference**

**10.2** A meeting with Principal Nodal Officers of banks was held on September 30, 2013. The meeting commenced with an interactive session with Dr. K C Chakrabarty, Deputy Governor and Dr. (Smt.) Deepali Pant Joshi, Executive Director. ED (Dr. DPJ) in her opening remarks emphasized the need for empathetic handling of customers by the frontline staff of banks.

Dr. K C Chakrabarty while setting the pace of the meeting urged the banks to focus on inculcating an enterprise-wide culture of 'treating customers fairly' and protecting their interest. He directed that in case of electronic banking frauds, the onus of proving that the customer was at fault would be on the bank, failing which, banks would be required to compensate the customer promptly. In this regard, he advised that banks may take all action required to strengthen the security of the delivery channel, capping the value of such transactions, seeking insurance against losses / expenses arising out of unauthorized electronic banking transactions, etc. In a bid to maintain timeliness of disposal, he advised banks to promptly furnish clarification/comments to all BOs/CEPD and also stressed that in case no comment /clarification was received within 15 days, the case would be disposed on available evidence / information.

## **Visit by Delegation from Taiwan Financial Ombudsman Institution**

**10.3** A delegation from Taiwan Financial Ombudsman Institution visited CEPD to study the Banking Ombudsman Scheme and grievance redress mechanism in RBI. The delegation had a fruitful discussion on Banking Ombudsman Scheme and customer care and customer service in Indian banking sector. A visit to BCSBI and SEBI was also organized for the delegates.

## **Regional BO Conferences**

**10.4** The nodal OBO of every zone organizes half yearly regional conferences of Banking Ombudsmen in its zone. The interaction in these conferences ensures uniformity in decisions and exchange of views on important systemic issues. During the year all nodal offices organized such conferences in their zone. On sidelines of these conferences, meetings are held with the Zonal Heads of major banks of the region to discuss customer service related issues of topical interest and sharing of regulatory

concerns and expectations with banks, besides discussing practical issues, problems & obstacles impeding prompt resolution of customer grievances.

### **Formation of new State of Telangana**

**10.5** 29<sup>th</sup> State of the Union of India viz., the State of Telangana has been carved out of the State of Andhra Pradesh. Consequently, the jurisdiction of Banking Ombudsman for Andhra Pradesh has been bifurcated into the State of Andhra Pradesh and Telangana from June 2, 2014 onwards. The territorial jurisdiction of the Banking Ombudsman for Andhra Pradesh situated at Hyderabad also extends to the newly formed State of Telangana

### **Awareness Campaigns and other initiatives**

**10.6** OBOs continued with their efforts to reach out to the members of public with the objective of increasing awareness about the grievance redress mechanism available under the BOS. This was done through advertisements in electronic media as also direct interactions with members of public in outreach programs, Banker Customer meets, exhibitions, fairs, etc. Advertisement campaigns in vernacular languages were organised designed to reach maximum number of people, especially in rural areas.

**10.6.i Town Hall Events:** OBOs organized Town Hall Events aimed at creating awareness among the public about BOS, security aspects of banking especially using ATM card, net banking, fund transfers, avenues for redressal of grievances, education loans security features of currency notes, etc. These events were conducted in local language and Hindi.

**10.6.ii Awareness Campaigns:** OBOs organised awareness campaigns in the area of their jurisdiction. A large number of villagers, school, college students, bank customers, bank officials of public and private sector banks, representatives from Pensioners' Association, Depositors' Association are involved in these awareness programmes. The salient features of BOS, its applicability are explained to participants. These events are mainly arranged in rural and semi urban areas. BOs also conducted on-site resolution of complaints during these campaigns.

**10.6.iii Participation in Melas/Trade Fairs /Exhibitions:** OBOs participated in various Melas, Trade Fairs, and Exhibitions by setting up stalls and displaying documentaries, informative brochures etc. about the Banking Ombudsman Scheme.

The staff of the OBOs answered queries and accepted complaints from members of visiting public on deficiency in banking services.

**10.6.iv Inclusion of lesson on BOS in school syllabus:** Financial Literacy Lessons including Banking Ombudsman Scheme have been included in Andhra Pradesh & Telangana State schools syllabus for 8th and 9th classes from academic year 2013-14 and for X class from academic year 2014-15. The textbooks are also printed in Oriya, Tamil, Marathi, Telugu and English to cater to the needs of border districts.

**10.6.v Press Conferences:** OBOs organized Press Meets with local print media highlighting the activities undertaken by them during the year. Information shared included key statistics on the number and nature of complaints handled / resolved and significant / exemplary cases handled during the year. This initiative, which started in 2011, is well appreciated by the Press and extensively covered in several newspapers, including Hindi and vernacular dailies. The publicity generated through these meets has helped in enhancing visibility of the BOS mechanism.

**10.6.vi Meetings with Nodal Officers of Banks:** OBOs organised meetings with Nodal Officers of banks in the region. During those meetings, issues relating to the customer service in banks were discussed. Systemic issues emanating from the complaints were brought to the notice of the Nodal Officers and they were advised to do root-cause analysis of these issues and take corrective action so that recurrence of such complaints is avoided. Importance of giving prompt and correct information to OBOs was also highlighted in those meetings.

**10.6.vii Skill building of staff:** With introduction of several new banking products and services, the nature of complaints coming to OBOs is also changing. With a view to build the skill set required to handle these complaints OBOs arranged various training programmes in-house as well as with other institutions for staff of OBOs. These programmes mainly related to ATM operations, Internet Banking, issues related to Credit Information Companies, Pension etc. Industry experts were called for these programmes to share the latest developments in the field with the staff.

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## Annex - I

### Name, Address and Area of Operation of Banking Ombudsmen

Centre	Name & Address of the Office of Banking Ombudsman	Area of Operation
Ahmedabad	<b>Shri Sunil T. S. Nair</b> C/o Reserve Bank of India La Gajjar Chambers, Ashram Road, Ahmedabad-380 009 STD Code: 079 Tel.No.26582357/26586718 Fax No.26583325 <a href="#">e-mail</a>	Gujarat, Union Territories of Dadra and Nagar Haveli, Daman and Diu
Bengaluru	<b>Ms. C R Samyuktha</b> C/o Reserve Bank of India 10/3/8, Nrupathunga Road Bengaluru -560 001 STD Code: 080 Tel.No.22210771/22275629 Fax No.22244047 <a href="#">e-mail</a>	Karnataka
Bhopal	<b>Shri A. F. Naqvi</b> C/o Reserve Bank of India Hoshangabad Road, Post Box No.32, Bhopal-462 011 STD Code: 0755 Tel.No.2573772/2573776 Fax No.2573779 <a href="#">e-mail</a>	Madhya Pradesh and Chhattisgarh
Bhubaneswar	<b>Shri B.K. Mishra</b> C/o Reserve Bank of India Pt. Jawaharlal Nehru Marg Bhubaneswar-751 001 STD Code: 0674 Tel.No.2396207/2396008 Fax No. 2393906 <a href="#">e-mail</a>	Odisha
Chandigarh	<b>Shri Sanjay Bhatia</b> C/o Reserve Bank of India	Himachal Pradesh, Punjab, Union

	<p>New Office Building Sector-17, Central Vista Chandigarh-160 017 STD Code: 0172 Tel.No.2721109/2721011 Fax No. 2721880 <a href="#">e-mail</a></p>	<p>Territory of Chandigarh and Panchkula, Yamuna Nagar and Ambala Districts of Haryana.</p>
Chennai	<p><b>Shri K Chandrachoodan</b> C/o Reserve Bank of India Fort Glacis, Chennai 600 001 STD Code: 044 Tel No.25399170/25395963/ 25399159 Fax No. 25395488 <a href="#">e-mail</a></p>	<p>Tamil Nadu, Union Territories of Puducherry (except Mahe Region) and Andaman and Nicobar Islands</p>
Guwahati	<p><b>Shri Anand Prakash</b> C/o Reserve Bank of India Station Road, Pan Bazar Guwahati-781 001 STD Code: 0361 Tel.No.2542556/2540445 Fax No. 2540445 <a href="#">e-mail</a></p>	<p>Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura</p>
Hyderabad	<p><b>Dr. N. Krishna Mohan</b> C/o Reserve Bank of India 6-1-56, Secretariat Road Saifabad, Hyderabad-500 004 STD Code: 040 Tel.No.23210013/23243970 Fax No.23210014 <a href="#">e-mail</a></p>	<p>Andhra Pradesh and Telangana</p>
Jaipur	<p><b>Shri R. Giridharan</b> C/o Reserve Bank of India, Ram Bagh Circle, Tonk Road, Post Box No.12, Jaipur-302 004 STD Code: 0141 Tel.No.5107973/5101331 Fax No.0141-2562220 <a href="#">e-mail</a></p>	<p>Rajasthan</p>
Kanpur	<p><b>Shri A. K. Naskar</b> C/o Reserve Bank of India M.G. Road, Post Box No.82</p>	<p>Uttar Pradesh (excluding Districts of Ghaziabad and Gautam Buddha Nagar) and Uttarakhand</p>

	Kanpur-208 001 STD Code: 0512 Tel.No.2306278/2303004 Fax No.2305938 <a href="#">e-mail</a>	
Kolkata	<b>Dr. Smt. S. Chattopadhyay</b> C/o Reserve Bank of India 15, Netaji Subhash Road Kolkata-700 001 STD Code: 033 Tel.No.22306222/22305580 Fax No.22305899 <a href="#">e-mail</a>	West Bengal and Sikkim
Mumbai	<b>Smt. R. Sebastian</b> C/o Reserve Bank of India Garment House, Third Floor, Dr. Annie Besant Road, Worli, Mumbai-400 018 STD Code: 022 Tel.No.24924607/24960893 Fax No. 24960912 <a href="#">e-mail</a>	Maharashtra and Goa
New Delhi	C/o Reserve Bank of India, Sansad Marg, New Delhi STD Code: 011 Tel.No.23725445/23710882 Fax No.23725218 <a href="#">e-mail</a>	Delhi, Jammu and Kashmir and Ghaziabad and Gautam Budh Nagar districts of Uttar Pradesh,  Haryana (except Panchkula, Yamuna Nagar and Ambala Districts)
Patna	<b>Shri Patric Barla</b> C/o Reserve Bank of India, Patna-800 001 STD Code: 0612 Tel.No.2322569/2323734 Fax No.2320407 <a href="#">e-mail</a>	Bihar and Jharkhand
Thiruvananthapuram	<b>Shri A. Madasamy</b> C/o Reserve Bank of India Bakery Junction Thiruvananthapuram-695 033 STD Code: 0471 Tel.No.2332723/2323959 Fax No.2321625 <a href="#">e-mail</a>	Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry (only Mahe Region).

## Annex - II

### Important Notifications Relating to Customer Service issued by the RBI in 2013-14

July 01, 2013	<b>Master Circular on Customer Service in Banks</b> - RBI/2014-15/72 DBOD No.Leg.BC.21/09.07.006/2014-15. All Important instructions issued by the bank in the area of customer service up to June 30, 2013 have been consolidated in the Master Circular. It has also been placed on the website of RBI. Banks have also been advised to ensure that copies of the circular are available in all their branches so that the customers can peruse the same.
July 01, 2013	<a href="#"><u>Master Circular – Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002</u></a> - This Master Circular is a consolidation of the instructions on Know Your Customer (KYC) norms /Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002 issued up to June 30, 2013. The same has also been placed on the website of RBI.
July 15, 2013	<a href="#"><u>Unsolicited Commercial Communications – National Customer Preference Register (NCPR)</u></a> - RBI/2013-14/136 DBOD.No.FSD.BC.30/24.01.001/2013-14 - Banks are advised to employ only those DMAs/ DSAs / call centres who are registered as telemarketers with DoT, Govt. of India, as per Telecom Regulatory Authority of India (TRAI) Regulations, 2007 for the purpose of soliciting or promoting any commercial transaction.
July 16, 2013	<a href="#"><u>Standardization and Enhancement of Security Features in Cheque Forms / Migrating to CTS 2010 standards</u></a> - DPSS. CO. CHD. No./133 / 04.07.05 / 2013-14 – prescribing arrangements for clearing of residual non-CTS 2010 standard cheques.
July 23, 2013	<a href="#"><u>KYC Norms AML Standards/Combating Financing of Terrorism / Obligation of banks under PMLA, 2002 - Simplifying norms for Periodical Updation of KYC</u></a> - DBOD.AML.BC. No. 34/14.01.001/2013-14- Banks have been advised to review their KYC policy in the light of the instructions mentioned in above Circular and ensure strict adherence to the same.
July 24,2013	<a href="#"><u>Migration of Post-dated cheques (PDC) / Equated Monthly Instalment (EMI) Cheques to Electronic Clearing Service (Debit)</u></a> - DPSS. CO. CHD. No./209/04.07.05/2013-14: Banks are advised that no fresh/additional Post Dated Cheques (PDC)/Equated Monthly Installment (EMI) cheques (either in old format or new CTS-2010 format) shall be accepted in locations where the facility of ECS/RECS (Debit) is available. Considering the protection available in terms of Section 25 of PSS Act 2007 which accords the same rights and



		remedies to the payee (beneficiary) against dishonor of electronic funds transfer instructions under insufficiency of funds as are available under Section 138 of the Negotiable Instruments Act, 1881 and , there is no need for banks to take additional cheques, if any, from customers in addition to ECS (Debit) mandates. Cheques complying with CTS-2010 standard formats shall alone be obtained in locations, where the facility of ECS/RECS is not available.
<b>August 1, 2013</b>		<b><u>ATM transactions – Enhancement of customer service-</u></b> DPSS. CO. PD. No. 289/02.10.002/2013-2014: Subsequent to a review of the developments in the area of customer service, instructions were issued to banks for enhancing the efficiency of ATMs.
<b>September 2, 2013</b>		<b><u>Foreign students studying in India – KYC procedure for opening of bank accounts</u></b> - DBOD.AML.BC.No.45/14.01.001/2013-14 - The procedure for opening accounts of foreign students who are not able to provide an immediate address proof while approaching a bank for opening bank account
<b>September 3, 2013</b>		<b><u>Settlement of Claims of Deceased Depositor – Simplification of Procedure – Placing of claim forms on bank's website</u></b> - DBOD. No.Leg.BC.48/09.07.005/2013-14 - Banks advised to provide claim forms for settlement of claims of the deceased accounts, to any person/s who is/are approaching the bank / branches for forms. Claim forms may also be put on the bank's website prominently so that claimants of the deceased depositor can access and download the forms without having to visit the concerned bank/branch for obtaining such forms for filing claim with the bank.
<b>September 5, 2013</b>		<b><u>Cash withdrawal at Point of Sale (POS) - Prepaid Payment Instruments issued by banks</u></b> - DPSS.CO.PD.No.563/02.14.003/2013-14 – Extending the facility of cash withdrawal at POS with open system prepaid payment instruments issued by banks in India with a limit of cash withdrawal at ₹ 1000/- per day subject to the same conditions as applicable hitherto to debit cards.
<b>September 25, 2013</b>		<b><u>Pernicious Practices of select Banks Deterring Customer Protection and Accounting Integrity-</u></b> DBS.CO.PPD No. 3578 /11.01.005/2013-14 : Banks have been advised to desist from certain practices viz. Subvention on price/moratorium for payment offered by dealers/ manufacturers; Zero percent loans/pricing of product as per the sourcing channel; Levying fees on debit card transactions by merchants, which thwart the very principle of fair and transparent pricing of products beholding customer rights and customer protection, especially, in the more vulnerable retail segment.
<b>September 27, 2013</b>		<b><u>Security and Risk Mitigation Measures for Card Present Transactions-</u></b> DPSS (CO) PD No.719/02.14.011/2013-14: RBI mandated certain standards for banks for securing technology infrastructure for Card Present transactions and had set a time line for compliance with these standards. Banks have been advised that no further extension would be granted for compliance with these standards and the banks found not complying with the requirements shall compensate loss, if any, incurred by the card holder using card at POS terminal not adhering to mandated standards.



October 25, 2013	<p><a href="#"><u>On-line Aadhaar authentication (electronic verification process) to be accepted as an 'Officially Valid Document' under PML Rules</u></a> - DPSS. CO. AD. No. /919/02.27.005/2013-14: In order to reduce the risk of identity fraud, forgery of documents and to encourage paperless KYC verification, UIDAI has launched its e-KYC services. Accordingly, it has been decided to accept e-KYC service as a valid process for KYC verification under Prevention of Money Laundering (Maintenance of Records) Rules, 2005.</p>
November 5, 2013	<p><a href="#"><u>Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 - Chhattisgarh Rajya Sahakari Bank Maryadit, Raipur</u></a> - RPCD.RCB.BC.No.52/07.04.007/2013-14 - The name of "Chhattisgarh Rajya Sahakari Bank Maryadit, Raipur " has been included in the Second Schedule to the Reserve Bank of India Act, 1934</p>
November 6, 2013	<p><a href="#"><u>Timely Issue of TDS Certificate to Customers</u></a> - DBOD.No.Leg.BC.65/09.07.005/2013-14: Banks were advised to provide to their customers, from whose account TDS was being deducted, a TDS Certificate in Form 16A, within the time-frame prescribed under the Income Tax Rules.</p>
November 26, 2013	<p><a href="#"><u>Charges Levied by Banks for Sending SMS Alerts</u></a> - DBOD. No. Dir. BC. 67/13.10.00/2013-14 - With a view to ensuring reasonableness and equity in the charges levied by banks for sending SMS alerts to customers, banks were advised to leverage the technology available with them and the telecom service providers to ensure that such charges are levied on all customers on actual usage basis.</p>
November 26, 2013	<p><a href="#"><u>Security and Risk Mitigation Measures for Card Present Transactions</u></a> - DPSS (CO) PD No.1164/02.14.003/2013-14 - Taking into consideration the developments that have taken place in the card payment ecosystem as well as the scalability and effectiveness of Aadhaar over a period of time, the banks are advised as follows:</p> <ul style="list-style-type: none"> <li>• In respect of cards, not specifically mandated by the Reserve Bank to adopt EMV norms, banks may take a decision whether they should adopt Aadhaar as additional factor of authentication or move to EMV Chip and Pin technology for securing the card present payment infrastructure.</li> <li>• All new card present infrastructure has to be enabled for both EMV chip and PIN and Aadhaar (biometric validation) acceptance</li> </ul>
November 29, 2013	<p><a href="#"><u>Periodicity of Payment of Interest on Rupee Savings/Term Deposits</u></a> - DBOD.No.Dir.BC. 69/13.03.00/2013-14 - On review of instructions on payment of interest on savings and term deposits at quarterly or longer rests, banks have been given the option to pay interest on rupee savings and term deposits at intervals shorter than quarterly intervals.</p>

December 02, 2013	<a href="#"><u>Revised General Credit Card (GCC) Scheme</u></a> - RPCD.MSME & NFS.BC.No.61/06.02.31/2013-14 – Revised GCC guidelines issued in order to enhance the coverage of GCC Scheme to ensure greater credit linkage for all productive activities within the overall Priority sector guidelines and to capture all credit extended by banks to individuals for non-farm entrepreneurial activity
January 10, 2014	<a href="#"><u>Alteration in the name of "Development Credit Bank Limited" to "DCB Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934</u></a> - DBOD.No.Ret.BC /83/12.06.097/2013-14 –The name of "Development Credit Bank Limited" has been changed to "DCB Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934
January 13, 2014	<a href="#"><u>Legal Guardianship Certificates Issued under the Mental Health Act, 1987 and National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999</u></a> - DBOD.No.Leg.BC.84/09.07.005/2013-14 - Guidelines applicable for the purpose of opening / operating bank accounts by persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities.
January 22, 2014	<a href="#"><u>NEFT - Customer Service and Charges -Adherence to Procedural Guidelines and Circulars</u></a> - DPSS.CO.EPPD.No.1583/04.03.01/2013-14 - Instructions issued by the Reserve Bank from time to time with regard to NEFT transactions ( efficiency enhancement features and customer service requirements in the system) for scrupulous adherence by banks .
January 22, 2014	<a href="#"><u>Collection of Account Payee Cheques - Prohibition on Crediting Proceeds to Third Party Account</u></a> - DBOD.BP.BC.No.87/21.01.001//2013-14 – Banks are prohibited from crediting 'account payee' cheques to the account of any person other than the payee named therein. However, banks could consider collecting account payee cheques drawn for an amount not exceeding ₹ 50,000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies.
January 23, 2014	<a href="#"><u>Withdrawal of all old series of Banknotes issued prior to 2005</u></a> - DCM(Plg) No.G-17/3231/10.27.00/2013-14 - withdrawal from circulation all old series of banknotes issued prior to 2005 by March 31, 2014.
January 29, 2014	<a href="#"><u>Inclusion in/exclusion from the Second Schedule to the Reserve Bank of India Act, 1934- Regional Rural Banks (RRBs)</u></a> - RPCD.CO RRB.BC.No./81/03.05.100/2013-14 - Inclusion of 5 and exclusion of 11 RRBs from the Second Schedule to the Reserve Bank of India Act, 1934
February 3, 2014	<a href="#"><u>Alteration in the name of "Mizuho Corporate Bank Ltd." to "Mizuho Bank Ltd." in the Second Schedule to the Reserve Bank of India Act, 1934</u></a> - DBOD.No.Ret.BC/ 94/12.07.108/2013-14 - The name of

	"Mizuho Corporate Bank Ltd." has been changed to "Mizuho Bank Ltd." in the Second Schedule to the Reserve Bank of India Act, 1934
<b>February 26, 2014</b>	<a href="#"><u>Inclusion in/exclusion from the Second Schedule to the Reserve Bank of India Act, 1934- Regional Rural Banks (RRBs)</u></a> - RPCD.CO RRB.BC.No./89/03.05.100/2013-14 – Inclusion of 8 and exclusion of 20 RRBs from the Second Schedule to the Reserve Bank of India Act, 1934
<b>March 3, 2014</b>	<a href="#"><u>Withdrawal of all old series of Banknotes issued prior to 2005</u></a> - DCM(Pig) No.G- 19/3880/10.27.00/2013-14 – Extending the date for exchanging the pre-2005 banknotes from March 31, 2014 to January 01, 2015.
<b>March 3, 2014</b>	<a href="#"><u>Alteration in the name of "Chinatrust Commercial Bank" to "CTBC Bank Co.,Ltd." in the Second Schedule to the Reserve Bank of India Act, 1934</u></a> - DBOD.No.Ret.BC/99/12.07.107/2013-14 dated February 28, 2014 –The name of "Chinatrust Commerical Bank" has been changed to "CTBC Bank Co., Ltd." in the Second Schedule to the Reserve Bank of India Act, 1934
<b>March 4, 2014</b>	<a href="#"><u>Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards / Combating of Financing of Terrorism (CFT) / Obligation of Banks under Prevention of Money Laundering Act (PMLA), Recognizing E-Aadhaar as an 'Officially Valid Document' under PML Rules:</u></a> DBOD.AML.BC.No.100/14.01.001/2013-14 - Banks were advised to accept e-Aadhaar downloaded from UIDAI website as an officially valid document subject to certain conditions. Physical Aadhaar card / letter issued by UIDAI containing details of name, address and Aadhaar number received through post and e-KYC process would continue to be accepted as an 'Officially Valid Document'.
<b>March 21, 2014</b>	<a href="#"><u>The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949</u></a> - DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14 – Notification on establishment of "The Depositor Education and Awareness Fund", in terms of which the amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to this Fund, within a period of three months from the expiry of the said period of ten years. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank the deposit or any other unclaimed amount or operate the account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

March 28, 2014	<a href="#"><u>Issuance and Operation of Pre-paid Payment Instruments in India – Consolidated Revised Policy Guidelines</u></a> - DPSS.CO.PD.No.2074/02.14.006/2013-14 – With a view to have all instructions on pre-paid payment instruments made available at one place, revised and consolidated policy guidelines on Issuance and operation of pre-paid payment instruments were issued.
May 6, 2014	<a href="#"><u>Levy of penal charges on non-maintenance of minimum balances in inoperative Accounts</u></a> - DBOD. Dir. BC. No. 109 /13.03.00 / 2013-14 – Banks have been restricted from levying penal charges for non-maintenance of minimum balances in any inoperative account.
May 6, 2014	<a href="#"><u>Opening of Bank Accounts in the Names of Minors</u></a> - DBOD.No.Leg.BC.108/09.07.005/2013-14 - A savings /fixed / recurring bank deposit account can be opened by a minor of any age through his/her natural or legally appointed guardian. Minors above the age of 10 years are allowed to open and operate savings bank accounts independently, if they so desire. Banks may fix limits in terms of age and amount up to which minors may be allowed to operate the deposit accounts independently. They can also decide, in their own discretion, as to what minimum documents are required for opening of accounts by minors.
May 7, 2014	<a href="#"><u>Levy of foreclosure charges/pre-payment penalty on Floating Rate Term Loans</u></a> - DBOD. Dir.BC.No.110/13.03.00/2013-14 - Banks have been restricted from levying foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to <i>individual borrowers</i> .
May 9, 2014	<a href="#"><u>Advance against Pledge of Gold/ Silver Ornaments</u></a> - UBD.CO.BPD.PCB.Cir.No.60/13.05.001/2013-14 –As a prudential measure, it is decided to prescribe a Loan to Value (LTV) Ratio of not exceeding 75 per cent for UCBs' lending against gold jewellery (including bullet repayment loans against pledge of gold jewellery).
May 12, 2014	<a href="#"><u>Customer Service in Regional Rural Banks</u></a> - RPCD. CO. RRB. BC. No. 100/03.05.33/2013-14 - Additional instructions were issued to RRBs on areas of customer service aligning with those issued to Scheduled Commercial Banks.
May 21, 2014	<a href="#"><u>Bank Branches / ATMs to be made accessible to persons with disabilities</u></a> - DBOD.No.Leg.BC.113/09.07.005/2013-14 - Banks have been directed to provide all existing ATMs / future ATMs with ramps so that wheel chair users / persons with disabilities can easily access them. Further, banks should make all new ATMs installed from July 1, 2014 as talking ATMs with Braille keypads. In addition, magnifying glasses should also be provided in all bank branches for the use of persons with low vision.

May 21, 2014	<a href="#"><u>Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 – Bharatiya Mahila Bank Limited</u></a> - DBOD. No.Ret. BC.112/12.07.138/2013-14 - "Bharatiya Mahila Bank Limited" has been included in the Second Schedule to the Reserve Bank of India Act, 1934
June 9, 2014	<a href="#"><u>Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/ Combating of Financing of Terrorism (CFT) /Obligation of banks under Prevention of Money Laundering Act (PMLA), 2002 – Clarification on Proof of Address</u></a> - DBOD.AML.BC. No. 119/14.01.001/2013-14 – Considering problems faced especially by migrant workers, transferred employees, etc. on submitting a proof of current/permanent address while opening a bank account, RBI has issued instructions towards simplification of submission of 'proof of address'. Henceforth, customers may submit only one documentary proof of address (either current or permanent) while opening a bank account or while undergoing periodic updation. In case the proof of address furnished by the customer is not the local address or address where the customer is currently residing, the bank may take a declaration of the local address on which all correspondence will be made by the bank with the customer.
June 24, 2014	<a href="#"><u>Financial Inclusion by Extension of Banking Services – Use of Business Correspondents</u></a> - DBOD.No.BAPD.BC.122/22.01.009/2013-14 – Banks are henceforth permitted to engage non-deposit taking NBFCs (NBFCs-ND) as BCs subject to certain conditions and the extant stipulation regarding distance criteria has been removed.

## **Annex - III**

### **Exemplary Cases dealt with by BO offices during 2013-14**

#### **FRAUDS**

1. A customer had deposited a cheque of ₹ 24, 00,000/- in his account. The amount was duly transferred to his account and he withdrew ₹ 80,000/- on the same day after which the balance in his account was ₹ 23, 20,008/-. He claimed that he did not do any further transactions in the account. However, on next day somebody apparently in collusion with some employee of the bank credited ₹1,00,000/- to his account and thereafter, the entire amount of ₹ 24,00,000/- was credited back to the account of the drawer of the cheque. The bank did not take any action on his complaint. In its reply to BO the bank stated that there was an internal family dispute between the complainant and his wife, who had issued the said cheque. The bank enclosed a representation from the drawer of the cheque wherein she claimed that the cheque had been fraudulently got signed by the beneficiary/complainant. BO observed that the bank had not offered any comment as to how the disputed transactions in the account had been carried out at the bank's end irrespective of the underlying dispute between the drawer and the drawee. In a meeting with bank officials BO asked bank officials to explain whether the reversal of transaction was in conformity with existing banking law and practices. The bank officials had no valid justification. The bank was advised to immediately refund entire amount along with interest at fixed deposit rate for the delayed period to the complainant.

2. The complainant had deposited a cheque for collection in the cheque drop box of his bank provided in the ATM kiosk. However, the cheque amount was not credited to his account. The bank officials informed that the cheque was stolen by miscreants from the cheque drop box and misused. FIR about theft was lodged with police. As per extant RBI guidelines, in such cases where there is no fault of bank and the customer, the onus of payment of compensation (up to a limit) lies with the collecting bank as part of Board approved policy. BO advised the bank to pay the cheque amount along with interest at savings bank rate for delayed period.

3. Proprietor of a firm lodged a complaint with the BO office that five cheques issued in the name of his firm were deposited by his supervisor in his savings account by

writing his savings account number in the pay-in-slip and the proceeds of these cheques were wrongly credited to his personal savings account. The BO called for original documents and the action taken on the earlier complaint received by the bank from the complainant. After due examination of all the documents including the internal investigation report, it was observed that bank was negligent in collecting and crediting the cheques drawn in the name of the firm to the personal account of the supervisor. As the protection of Section 131 of Negotiable Instrument Act was not available to the bank, an advisory was issued directing the bank to credit the amount of cheques to firm's account.

4. The complainant alleged that there was a fraudulent transfer of funds through combo voucher from his account to an unknown account in other bank. The complainant submitted a copy of reply by the bank in response to his RTI query wherein the bank had categorically stated that transfer voucher was meant for internal use of the bank and transfer of fund was being done on written request of the account holder/authorized person. On taking up the matter, the bank replied that the transfer of funds was made on the basis of combo voucher, which had the signature of depositor which tallied with account opening form held on their record. Bank also stated that the authority letter required as per internal circular was not obtained and an internal investigation had been done and disciplinary action initiated against erring officials of the bank. However, the bank pleaded that since general authority and signature tallied, the bank had the mandate to debit the account.

BO observed that the bank's stand that mere signature on the transfer voucher constituted proper mandate was not acceptable, as the bank had been obtaining separate mandate for transfer of funds. A purported mandate on the combo voucher was not complete in as much as the name of the beneficiary was not proper as also the amount was mentioned only in figures and not in words. BO passed an award against the bank directing to pay the value of disputed transaction with interest at extant savings bank rate from the date of transaction till the date of payment to the complainant.

### **NET BANKING FRAUDS**

5. The complainant alleged that his system was hacked and an amount of ₹ 2 lakhs was transferred from his account to another account in some other bank. The



amount was withdrawn through the latter bank's ATM and the party was not traceable on the address mentioned in the KYC documents. BO observed that the bank had not introduced One Time Password (OTP) for addition of third party and transfer of amount as also there was no cooling period for third party addition. Further, the SMS alert for addition of third party was sent after the money was transferred. As regards other bank, BO observed that the bank had given a platinum card with ₹ 2 lakh withdrawal limit per day for a new customer who had no relationship with bank earlier and whose income was ₹ 50,000/- to ₹ 2 lakh per month as per the application. The customer was given a product which was not suitable to his profile. Though, as per the bank's policy last three months' land line bills were required as proof of residence, the bank had accepted the mobile bill of same month as proof of residence. BO directed both the banks to share the disputed amount and refund it to the complainant.

6. The complainant received a telephone call demanding the OTP which he had just received by SMS although, according to him, he had not conducted any net banking transaction at that point of time. He reportedly did not disclose the information sought by the unknown caller. But, immediately thereafter, he received an SMS for debit of ₹ 1, 28,000/- from his account. Although the bank claimed that the complainant might have responded to the call and passed on confidential information, it did not submit any proof in support. The bank further informed that the fund had been transferred to the account of a different bank from which they had claimed the amount. It was observed by BO that the transaction took place without any cooling period for new beneficiary addition and actual transfer of funds to beneficiary account, as required under extant RBI instruction. The complainant noticed the SMS in his mobile phone when transfer of funds from his account had already been effected. On receipt of the complaint, the bank had blocked the complainant's debit card on the same day. However, the bank had informed the other bank to recover the amount almost after 24 hours. During this time, the beneficiary had withdrawn entire amount. Further, as revealed from correspondence with the beneficiary's bank, one more fraudulent transfer of ₹.61, 000/- to the same account had taken place at that time. It was thus evident that the account was opened with the ulterior objective of perpetrating fraud and the beneficiary's bank had failed to follow due diligence in KYC compliance as per RBI guidelines. BO observed that owing to the above deficiencies on the part of



the both the banks, the perpetration of the fraud was possible and, therefore, the complainant's bank should refund the entire amount with applicable FD to the complainant against a simple indemnity and half of this amount should, thereafter, be shared by the beneficiary's bank.

7. An amount of ₹ 20,000/- was debited from current account of the complainant through net banking in 10 transactions of ₹ 2,000/- each for Vodafone re-charge, without his knowledge. The bank informed that the transactions done by him were fully secured with two sets of passwords (login password and transaction password) and the complainant had compromised the confidential credentials unintentionally or intentionally. It was ascertained that OTP was not furnished to the complainant. The bank was advised to clarify the additional factor of authentication put in place by them for the 'card not present' transactions in the absence of OTP to which the bank replied that the customer had rejected the OTP facility during the initial stage of e-banking facility activation. BO directed the bank to pay the disputed amount to the complainant in view of the extant instructions which specify that additional factor of authentication for all 'card not present' transactions is mandatory and in case of issues arising out of transactions effected without the additional factor of authentication, the issuer bank is to reimburse the loss to the complainant without demur.

8. The complainant had alleged that an amount of ₹ 2,35,000/- was transferred from his SB-NRO account to a firm's account with another bank on the basis of an e-mail request made by a fraudster. The bank contended that there was no reason to doubt the veracity of the said e-mail request especially when the signature in the scanned copy of the letter was tallying with the specimen signature of the complainant. The bank further stated that they had taken all care and caution while effecting such transfer and there was no deficiency of service on the part of the bank. However, it was observed that as per the instructions of the bank, transfer of funds on e-mail request should not be effected without confirming the same directly with the customer. Since the bank had not confirmed the authenticity of the e-mail request with the customer before effecting the transfer, nor followed its own internal policy guidelines, BO directed the bank to pay the loss suffered by the complainant.

9. The complainant received an SMS intimating that two transactions of ₹ 548.06 and ₹ 87, 378.83 were made abroad in his Credit Card. He had immediately lodged a complaint with the bank stating that the card was in his possession at the time of the transaction. He also informed the bank that he had checked his account balance from one ATM outlet near his residence on the same day giving details of the ATM number. The complainant requested bank to refund the disputed amount. He, thereafter, received a letter from the bank along with copies of POS transaction slip which stated that *once a signed and authorized charge slip/document is provided by the merchant/acquiring bank it has no further remedy against the merchant by way of chargeback*". The complainant further informed that the signature on the copies of the charge slips of the POS transactions provided to him by the bank had no similarity with his signature. On taking up the matter the bank informed BO that it was an authorized POS transaction where the card was swiped on the merchant's EDC Machine. The charge slip was duly signed. The bank had informed the complainant that they were unable to make good any loss allegedly suffered by him and suggested that he may file complaint with local police or cyber-crime investigation authority.

BO observed that the transaction was a card present POS transaction. The complainant had informed the bank on the same day on which the transaction took place. The complainant's e-mail suggested that at the time of the transaction he was in India and the card was in his possession while the transaction was done in a foreign country as revealed from the copy of the charge slip provided by the bank. The bank had not denied complainant's contention that (i) he was in India at the time of the transactions, (ii) the disputed card was in his possession and (iii) the signatures on charge slips did not tally with that on the disputed card. The complainant cannot be responsible for transactions which appeared to have been made fraudulently in a different country while he was in India and the card was in his possession. Accordingly, the bank was instructed by the BO to refund the disputed amounts to the complainant against simple indemnity.

### **ATM TRANSACTIONS**

10. In a complaint about three unauthorized ATM withdrawal transactions, documentary evidence produced by the bank proved that the transactions were successful. The complainant confirmed that he had not given the card to anybody.

When the CCTV footage was shown to the complainant, he admitted that the person withdrawing the money was known to him and he would himself recover the money. He withdrew the complaint filed with the BO.

The case highlights tendency of some customers to raise false/factually incorrect complaints without verifying facts at their own end. In resolution of such complaints, good CCTV coverage proves to be an authentic clincher in case of disputes besides, of course, corroborative evidence of electronic records.

11. The complainant had alleged that she had withdrawn ₹ 400/- from ATM, of another bank, but received SMS that an amount of ₹10,000/- had been withdrawn from the ATM machine. Documents submitted by both banks showed that the disputed transaction was successful. From CCTV footage it was observed that there were 2 machines adjacent to each other without any partition. Two suspicious looking men were inside the ATM enclosures for a considerable time. After some time, one went out of ATM room. One was constantly stationed inside and tampered with one ATM machine making it temporarily non-operational (by using chewing gum from his mouth). Whenever a customer visited the ATM to withdraw money and used this non-operational machine he was immediately directed by the fraudster inside the ATM to use the other adjacent machine. Before this, the customer would have inserted his ATM card in the non-operational machine. The fraudster stationed inside then pretended to be counting money held in his hand and watched the customer complete his transaction on the other machine. While the customer completed his transaction the second fraudster who was waiting outside came in. He was seen doing some transaction on the non-operational machine.

Complainant had visited the ATM machine enclosure during this time. The person inside the enclosure tried the same trick with her. She used the second machine, withdrew money and left. She had done only one successful transaction.

On enquiring with the bank, it was ascertained that it was an offsite ATM, where no security guard was posted. BO opined that if a security guard was present such incidents could not have happened and directed the acquiring bank to pay the complainant the disputed amount, giving the complainant the benefit of doubt.

## **CREDIT CARD**

**12.** A complainant approached BO Office stating that the officials of the bank were following up for the dues on the credit card allegedly held in the name of her husband who was paralysed and bed-ridden for last five years. The complainant denied that her husband held any credit card in his name. She further stated that the bank did not provide any evidence and pursued for payment of dues.

On taking up the matter, the bank submitted that a credit card was issued to her husband in June 2000, based on the application form and other relevant documents submitted to the bank. He had used the card for his financial needs on several occasions but had made partial payment / no payment towards the dues on his card account. Hence, the applicable financial charges were billed to the card account. As per the statement, the total outstanding dues payable by the customer was ₹50,069.62/-. The complainant accepted the bank's claim but on account of her strained financial position and chronic / serious illness of her husband, expressed her inability to pay the full amount of dues and requested the bank to settle the matter by paying ₹10,000/-. The bank accepted the payment and waived off the remaining outstanding amount and also agreed to pursue the matter with CIBIL to amend the status.

**13.** The complainant was issued two credit cards by the bank. However he informed the bank that he was not interested. As advised by the bank he dropped the cards in bank's drop box. However, he received a bill for ₹52,017/- pertaining to one of the surrendered cards. The complainant further claimed that he was informed by the bank that the disputed card was stolen from the drop box and he was assured that the matter was closed. However, when he checked his CIBIL status it was observed that bank had reported ₹52,017/- as due from him. On contacting, the bank informed that it had sold off card-outstanding to the Asset Reconstruction Company (ARC).

The bank in its response to BO stated that the card was initially issued to the customer during January 1989. After merger of the bank with another bank in 2001, the said card was converted to the latter bank's credit card and the outstanding dues were transferred. A supplementary credit card was issued to the customer during April 2001. The bank had further stated that the customer had dropped the cards in a drop box without defacing them and also did not dispatch the same along with the cancellation letter to the bank's address, as required under card member rules and

regulations. The bank also indicated that the total outstanding dues on both the credit cards were ₹52,017.03 and ₹385.70 respectively and the same were sold to an ARC. The bank had requested the customer to contact the ARC. Based on the documents submitted by the complainant, the BO advised the bank to take up the matter with the ARC. The bank confirmed that the ARC had arranged to reverse the outstanding in the customer's card account and update the status of the card account in the records of the CIBIL.

**14.** The bank had unilaterally issued an up-graded credit card on basis of negative tracer SMS. Though the limit for the new card was on higher side, bank imposed card renewal fee of ₹ 5,000 plus other applicable charges. Complainant's accumulated ten thousand reward points on previous card were also forfeited by the bank.

On the basis of submissions made, BO found that there was deficiency in service on the part of bank in providing upgraded card without explicit consent of the complainant. Accordingly, the bank was advised to issue free for life credit card to the complainant and also to ensure that the card is not upgraded without the customer's written consent, restore original reward points and pay compensation of ₹ 10,000/- for loss of time, expenses incurred, harassment and mental anguish suffered by him.

### **LOANS AND ADVANCES**

**15.** A complaint was regarding levy of interest on housing loan at a rate higher than the rate agreed. The complainant had attached documentary evidence for his claim. The matter was taken up with the bank which replied that as per their HO Circular, in case of existing loans, the minimum rate under floating rate of interest was revised and where concessions had already been given and rates were below revised rate, such loans were charged at revised rate of interest. The bank however, admitted that the complainant had been contesting the revision of rate by the bank through representations.

BO observed that the bank had unilaterally revised the interest rate upward, which was not accepted by the borrower and which was not favouring the borrower. Since,

this did not appear to be a healthy practice, BO advised the bank to reset the rate of interest to the agreed rate and refund the excess interest charged.

**16.** The complainant alleged unilateral recovery by bank from his account, without prior intimation despite regular EMI payments by him. It was noted from the bank's reply that the bank had not intimated the complainant in writing before recovering an enhanced amount of EMI. It was further noted from the loan agreement that the EMI amount was clearly mentioned which the complainant has abided by in letter and spirit. Moreover, the bank's reply to the complainant gave a contrary view that he was a defaulter and that his account had become NPA. The bank had also nowhere regretted its mistake in its reply to the complainant. In view of the discrepancy, bank was advised to reverse the unilateral deduction to the complainant's SB account. Furthermore, the bank was advised to pay a token compensation of ₹1,000/- to the complainant since there was a clear case of deficiency of customer service on the part of the bank.

**17.** The complainant availed vehicle loan of ₹5 lakh from the bank. He had remitted ₹4, 83,230/- on various dates to the loan account but the bank, instead of accounting these repayments, parked the amount in his savings account. Only on taking up by the complainant did the bank credit his loan account. The complainant approached the BO seeking credit of interest for the amount remitted by him to the bank. The bank clarified that the total amount of ₹3.37 lakh and small amounts on various dates repaid by the complainant had been credited as advance payments instead of partial pay-off and the interest benefit was not passed on to him as there was no specific direction from the complainant. However, as he had sought refund of excess interest charged, bank had credited ₹2,235.74 only to the loan account. It was observed from the working sheet enclosed by the bank that the bank had debited ₹6,754.34 towards prepayment charges out of interest benefit of ₹8,990.08 and credited a sum of ₹2,235.74 only. However, there was no mention about prepayment charges in the terms and conditions of the loan. The bank was directed by the OBO to reverse the debit towards prepayment charges.

**18.** The complainant alleged that the jewels pledged with the bank were auctioned without prior intimation to him. The bank's contention was that the complainant had availed the loan facility against the gold ornaments and the loan was to be repaid within six months. The bank further stated that they had not received any payment

during the tenure of the loan and after the expiry of the loan tenure the bank had received ₹10,000/- only which was adjusted towards his loan account. The bank further stated that the borrower neither made any payment nor responded to the reminders sent to him, therefore, the bank had published the details of non-payment in the newspaper and after due diligence, disposed of the said jewels for ₹1,96,243/- as per their internal guidelines. BO arranged conciliatory meeting with the bank's Nodal Officer and the complainant. The complainant alleged that he had visited the branch on the day of auction but the officials had told him that the auction was already over, despite his intention to pay the outstanding amount. As the bank went ahead with the auction even after the complainant had paid ₹10,000/- two days before the auction date, the BO directed the bank to pay the cost of procuring 85.2 gm of 20 ct-gold (as per bank's appraiser certificate) as per the market value after deducting the outstanding dues.

**19.** The complainant intended to get his credit facility enhanced, but, the bank was reluctant and had shown an indifferent attitude. On his consistent pursuing, the bank had asked him to sign some documents and demanded the deposits in form of the F.D. and Life Insurance Policy which he had done accordingly. Despite that, the bank had not enhanced his credit limit for several months. BO observed that the bank conveyed the non-sanction of the credit limit five months after the receipt of request. Further, the rejection was after the borrower had approached the BO. The reasons cited by the bank for non-sanction/enhancement were prevalent at the time of application itself. The bank, as such, was found deficient to the extent that they had delayed the communication of their decision to the complainant. Though the BO does not interfere in the commercial decision of banks, it is equally important that the decision i.e., sanctioning/non-sanctioning of the loan is conveyed to the applicant within a reasonable time. In this case, even though the bank had valid ground for rejecting the application for enhancing the OD limit, the decision was conveyed in writing to the applicant after he had lodged the complaint with the OBO. Bank was advised to pay compensation of ₹ 5, 000/- to the complainant for not conveying its decision in time.



## **PENSION**

**20.** A family pensioner approached BO stating that she had not been getting family pension regularly and her pension was also not calculated correctly. She requested for early settlement of her claim and payment of arrears as per entitlement. On taking up the matter, the concerned bank replied along with a copy of 'Due and Drawn' statement that she had been paid pension correctly and only ₹73/- was due to her as pension arrears and ₹460/- as penal interest for the delayed credit of pension and that the same had been credited to her account. The OBO sought complainant's comments on bank's letter and 'Due and Drawn' statement. She pointed out that she was entitled to a basic pension of ₹5,037/- whereas the bank had fixed her pension at ₹3,500/-. She also forwarded a copy of pension master list wherein her normal basic pension was mentioned as ₹5,037/-. The bank was advised to re-examine the entire issue, who in consultation with their Head Office, then recalculated the arrears of the pensioner and paid ₹49,734/- along with interest for the period of delay as per extant guidelines.

**21.** The complainant approached BO Office complaining sudden stoppage of pension of her husband and non-receipt of family pension and accrued arrears. The complainant stated that her husband who retired on November 30, 1994 continued to draw his pension through his bank. Subsequently, her husband died but the family pension was not being paid apparently because the branch had lost her husband's PPO. The BO office sought comments from the bank. The bank in its reply stated that pension in respect of complainant's husband could not be disbursed because during the process of migration of data, the name of the pensioner did not appear in the list of migrated accounts with branch and the original PPO had been lost. The matter was under investigation and that the branch concerned had also been advised to complete the formalities of getting duplicate PPO by lodging loss certificate with concerned authority and submit duplicate PPO to the Central Pension Processing Cell (CPPC) to enable them to make payment of family pension to complainant. The bank recommended for closure of the complaint on basis of the action taken by it. The reply of the bank was not accepted by the BO as the non-updation of records during migration was an internal issue of the bank and the customer could not be made to suffer for this omission. BO ordered the bank to make payment of pension on the basis of pensioner's copy of PPO from the date of



stoppage of pension till his death and payment of family pension from date of death along with payment penal interest for delayed period and also issuance of displeasure letter to bank for negligence on its part. The bank paid pension arrears pertaining to the period till the death of the pensioner along with penal interest. However, the bank stated that as the name of the complainant was not mentioned in the PPO of the pensioner they were unable to continue family pension and advised complainant to submit revised PPO to branch for continuance of pension.

**22.** The complainant had requested the bank to close the joint account after death of his wife. However, instead of closing the joint account, the bank closed his pension account. The complainant requested that his pension account be re-opened. The bank in its reply informed that it had credited the pension amount to complainant's account as advance pension and had taken steps to re-open the pension account. The bank, however, did not offer any explanation for closing the pension account. BO observed that the bank had taken action on the complaint only after receiving a reminder from the BO. It might take several months to re-open the pension account and till then the complainant will have to undergo financial hardship due to the mistake of the bank. By closing the pension account, the bank had robbed the pensioner of his only source of income. An award was issued against the bank directing it to pay compensation of ₹ 50,000/- to the complainant to tide over the financial hardship he was undergoing due to closure of his pension account.

**23.** A family pensioner had complained against a bank for non-payment of revised pension in the account of her deceased husband for the period 2007-2011. The pension paying bank replied that the pensioner was already paid an excess amount of ₹ 84,000/- and the same would be recovered from the family pensioner. On scrutiny of the PPO and other related documents, it was observed that the pension was incorrectly calculated and contrary to the bank's claim for recovery of excess amount, the pensioner was eligible to get an additional amount of ₹ 2, 91,000/- towards pension arrears. On BO's advice, the bank paid the correct amount of revised pension/ arrears to the pensioner.

## OTHERS

**24.** An NRI residing in UK, had complained that he had sent a remittance of ₹ 25 lakh for issue of FDR, but the bank had issued insurance policies. On taking up the matter, the bank initially refunded ₹ 3 lakh and submitted that rest of the amount cannot be refunded as the proposal forms of these policies were signed by the complainant. The complainant, however, denied having signed the proposal form. The bank took a stand that the complainant had an opportunity to point out the mis-selling during the free-look period and since he did not utilize the free-look period to object the issuance of policy, he had no ground for complaint against the bank. The complainant however, denied having even received the policies and on enquiry, the bank could not produce any documentary evidence for having dispatched the policies to him. However, after intervention by the BO, bank paid the balance amount of ₹ 22 lakh to the complainant along with interest at FD rate prevalent at that time.

**25.** The complainants, wife and husband, had taken travel cards from a bank for a visit to Dubai. The travel cards were used in Dubai for cash withdrawal as well as balance enquiry. As against normal charges (viz., AED 7.25 for cash with withdrawal and AED 1.75 for balance enquiry each time), they alleged that they were charged exorbitant amounts which were unwarranted and not specified anywhere. They wanted refund of the wrongly charged amounts of AED 1322.38 (on wife's card) and AED 1149.62 (on husband's card).

The bank stated that the customers had availed the travel currency card (currency-AED) and had utilized it for balance enquiry and ATM withdrawal transactions in UAE. The bank stated that acquiring banks in UAE, particularly large banks have started offering "Dynamic Currency Conversion (DCC)" on their networks. In such a case the machine recognizes the travel currency card as a card issued in India and automatically offers customer an option to convert funds from home currency to the local currency without recognizing that the travel currency card is already denominated in the foreign currency. Therefore funds were converted from AED to INR back to AED and 3.5% mark-up was charged by the acquiring bank for cross currency transactions. Further, since the customer's card is not INR denominated, at the card issuing bank a conversion again happens from INR to AED and additionally, a 3% mark-up gets charged for cross currency transactions. Eventually, in such a

scenario, a customer gets charged double cross currency conversion of 6.5%. The bank in its response stated that it cautions travel card users about the aforesaid process being followed in certain countries and also suggests them not to go for DCC through user's guide and Important Usage Details provided in card welcome kit though they do not mention the country where this could happen.

The BO observed that since the bank had not specified the country in user's guide or Important Usage Details, the customer did not have the opportunity to take an informed decision as to whether to avail of the Forex card of the bank despite the fact of double conversion of currency. The BO therefore directed the bank to refund the double conversion charge to the complainants.

**26.** The complainant maintained an FD for ₹ 3.00 lakh with the bank with maturity of five years. Before maturity, complainant came to know that the bank had deducted TDS @ 20% during last 4 years citing non-availability of PAN. The complainant was also not given any TDS certificate for any of the years.

The bank submitted that at the time of opening of FD, the complainant was advised to furnish PAN. Since the complainant had not submitted PAN, the bank had deducted TDS at higher rate. It further stated that the bank was issuing interest certificates to the complainants for filing tax return every year. It was observed that the bank had not provided TDS certificate to the complainant and their contention of providing the interest certificate for filing income tax was not acceptable. Further, it was mandatory on the part of the bank to issue TDS certificate under section 203 of Income Tax Act, 1961, in Form 16-A specifying the amount of tax deducted and other particulars. While the complainant stated that PAN had already been submitted in respect of her SB account, the bank could not furnish any evidence of having asked the complainant to submit the PAN copy in respect of her FD account. Therefore, there was deficiency of service on the part of the bank. Accordingly, the bank was advised to refund the excess TDS against indemnity, arrange to file revised documents with IT authorities and also provide TDS certificates to the complainant.

**27.** The complainant was issued one Payment Order (PO) in favour of a company for ₹ 5 lakh from his current account. However, the PO was misplaced / lost and this fact was intimated to the bank. As suggested by the bank, complainant furnished an

indemnity bond but the money was not given back. However as per the bank, the complainant never submitted the indemnity bond (though complainant had submitted a copy of indemnity bond duly certified by the bank to OBO). Bank took up the matter with the payee to ascertain receipt of PO. However no confirmation was received.

BO directed the bank to obtain a new indemnity bond and return the amount. The bank was, further, advised that since funds were with the bank and the complainant was out of funds, the customer be paid interest at applicable FD rate from the date of previously made request to cancel the PO, to the date of release of amount; alternatively the disputed signature (pertaining to receipt of indemnity bond) be sent to Government Examiner of Questioned Documents (GEQD) for examination and based on the report suitable action be taken. The bank issued duplicate PO to the complainant. The bank later confirmed that findings of the GEQD report went in favour of the complainant. The bank, despite assurance, did not pay the interest. BO issued an award directing the bank to pay interest to the complainant.

**28.** Several complaints were received against bank wherein complainants stated that they had deposited cheques with the bank for collection however, neither the cheques were collected by the bank nor queries of the complainants were entertained by the bank. Bank responded to the BO only when the proviso of clause 10(1) of BOS was invoked. The bank submitted that the branch had presented 36 cheques pertaining to one Government Scheme issued by the Treasury. These cheques were valid for one month only. When the cheques were first sent for collection, the service branch of the bank returned the cheques for putting proper codes. Branch again presented these cheques with proper codes, but these were again returned as the validity period was over. The bank had taken up the matter for revalidation or issuance of duplicate cheques, but as the concerned Government department had returned the unused fund to the Government, it would take some time to issue fresh cheques to the beneficiaries. BO observed that the complainants had deposited disputed cheques in time. The bank had sufficient time to present and re-present the cheques before expiry of validity period, indicating clear deficiency of service on the part of the bank. Accordingly, BO advised the bank to pay disputed amount along with applicable interest against indemnity.

## IMPORTANT DECISIONS BY APPELLATE AUTHORITY

1. The complainant had lodged a complaint with the BO that his saving bank account was debited with ₹ 1, 15,621/- for various online unauthorized POS transactions. He did not even receive SMS alerts on his mobile for the transactions. The bank said that it had sent SMS alerts for all the disputed transactions to the registered mobile number. It was observed that the customer had not informed the bank the change in his mobile number and hence did not receive the SMS alerts. Based on bank's reply and merits of the case, the BO had passed an award directing the bank to refund disputed amount to the complainant. The bank preferred an appeal against the award.

The Appellate Authority observed that it was customer's duty to intimate any change in contact details to the bank. The customer had not taken due care to register his new mobile number with the bank. The Appellate Authority allowed the appeal preferred by the bank setting aside the award passed by the BO.

2. The complainant alleged that ₹ 7,852/- was debited from his account relating to unauthorized fraudulent transactions. The bank had replied to the BO that these were 60 POS transactions aggregating ₹ 7,852/- of which, an amount of ₹ 2,822/- relating to 20 POS transactions was refunded to the complainant. The bank had further stated that these transactions were made through internet by using valid card number and PIN. The BO had rejected the complaint. The complainant preferred an appeal against BO's decision.

The statement of transaction attached to bank's reply showed that some transactions were made even after the date of reporting of fraudulent transactions to the bank. Appellate Authority observed that the bank had not acted pro-actively on having informed by the customer and allowed further transactions of similar nature. Appellate Authority allowed the appeal to the limited extent of crediting the balance amount of ₹ 5,030/- by the bank with SB interest and set aside the decision of BO.

3. The complainant used internet banking for online payment to recharge Internet Data Card. Her account was debited but the data card was not recharged. The bank wrote to Customer Care of the Telecom Company after receipt of complaint by the complainant and replied to BO that the disputed amount was delivered to the

merchant. The BO had closed the complainant under clause 13(d) (without sufficient clause) of the BOS 2006. The Appellate Authority allowed the appeal and rejected the decision of BO directing the bank to arrange to credit the disputed amount to the complainant's account and pursue with Telecom Company for refund.

4. The complainant had tried to withdraw money from ATM but the transaction was declined for the reason "insufficient fund" and charge of ₹ 17/- was levied on it by the bank. He had requested the bank to reverse the charges. The bank advised the complainant that the charges were levied as per their extant instructions in the matter. Based on the clarification given by the bank, the BO rejected the complaint. The complainant preferred an appeal for review of the decision given by the BO.

The AA observed that the bank had not given advance information to its customers about the change in service charges as required under extant RBI instructions. The appeal was accepted and decision of BO was set aside. Further, the bank was directed to reverse the charges of ₹ 17/- and also to credit ₹ 500/- to complainant's account as compensation for the inconvenience caused to him in the matter.

5. The complainant had requested his bank to undertake two import remittances for making direct payment to the beneficiary's account in bank in foreign country. He had provided SWIFT code and account number with name and address of the beneficiary bank. Subsequent to the two remittances, the complainant suspected a fraud since the overseas party was not traceable. He informed the bank accordingly and sought to recall the funds. However, when bank contacted the counterpart, they received a confirmation that the payment had already been effected. The bank informed BO that they had remitted funds in good faith to the SWIFT code and account number furnished by the complainant. The postal address was not deliberated upon since SWIFT code is the key access for credit of fund. BO found no deficiency in the service on the part of the bank, hence rejected the complaint. The complainant preferred an appeal for getting his money back and also other expenses incurred by him.

The AA observed that the bank had remitted the funds in good faith to the SWIFT code and account number furnished by the appellant. The postal address was not deliberated upon since SWIFT code is the key access and relevant for transfer of funds. The appeal was rejected and decision of BO was upheld.

## **Annex IV**

### **GROUND OF COMPLAINTS UNDER BANKING OMBUDSMAN SCHEME 2006**

(1) Any person may file a complaint with the Banking Ombudsman having jurisdiction on any one of the following grounds alleging deficiency in banking including internet banking or other services.

- (a) Non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
- (b) Non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
- (c) Non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
- (d) Non-payment or delay in payment of inward remittances;
- (e) Failure to issue or delay in issue of drafts, pay orders or bankers' cheques;
- (f) Non-adherence to prescribed working hours;
- (g) Failure to provide or delay in providing a banking facility (other than loans and advances) promised in writing by a bank or its direct selling agents;
- (h) Delays, non-credit of proceeds to parties' accounts, non-payment of deposit or non-observance of the Reserve Bank directives, if any, applicable to rate of interest on deposits in any savings, current or other account maintained with a bank ;
- (i) Complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank related matters;
- (j) Refusal to open deposit accounts without any valid reason for refusal;
- (k) Levying of charges without adequate prior notice to the customer;



- (l) Non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on ATM/Debit card operations or credit card operations;
  - (m) non-disbursement or delay in disbursement of pension (to the extent the grievance can be attributed to the action on the part of the bank concerned, but not with regard to its employees);
  - (n) Refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government;
  - (o) Refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities;
  - (p) Forced closure of deposit accounts without due notice or without sufficient reason;
  - (q) Refusal to close or delay in closing the accounts;
  - (r) Non-adherence to the fair practices code as adopted by the bank;
  - (s) non-adherence to the provisions of the Code of Bank's Commitments to Customers issued by Banking Codes and Standards Board of India and as adopted by the bank ;
  - (t) Non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
  - (u) Any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.
- (2) A complaint on any one of the following grounds alleging deficiency in banking service in respect of loans and advances may be filed with the Banking Ombudsman having jurisdiction:
- (a) Non-observance of Reserve Bank Directives on interest rates;



- (b) Delays in sanction, disbursement or non-observance of prescribed time schedule for disposal of loan applications;
  - (c) Non-acceptance of application for loans without furnishing valid reasons to the applicant; and
  - (d) Non-adherence to the provisions of the fair practices code for lenders as adopted by the bank or Code of Bank's Commitment to Customers, as the case may be;
  - (e) Non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
  - (f) Non-observance of any other direction or instruction of the Reserve Bank as may be specified by the Reserve Bank for this purpose from time to time.
- (3) The Banking Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time in this behalf.

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## DISCLAIMER

*The Reserve Bank of India does not vouch the correctness, propriety or legality of orders and awards passed by Banking Ombudsmen. The object of placing this compendium is merely for the purpose of dissemination of information on the working of the Banking Ombudsman Scheme and the same shall not be treated as an authoritative report on the orders and awards passed by Banking Ombudsmen and the Reserve Bank of India shall not be responsible or liable to any person for any error in its preparation.*

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<b>ANNEX V - STATEMENT OF COMPLAINTS RECEIVED BY THE OFFICES OF THE BANKING OMBUDSMAN (2013-14)</b>																
Bank Name	TOTAL NUMBER OF COMPLAIN TS RECEIVED	OTHER THAN CREDI T/DEBI T CARD COMPL AINTS PER 1000 ACCOU NTS	CREDIT/DEB IT CARD COMPLAIN TS PER 1000 CREDIT/DE BIT CARD ACCOUNTS	COMPLAIN TS PER BRANCH	COMPLAINTS-CATEGORYWISE											
					DEPOSI T ACCOU NT	REMITTA NCE	LOANS AND ADVAN CES	ATM/ DEBIT /CREDIT CARDS	LEVY OF CHAR GES WITHO UT PRIOR NOTIC E	PENSION	FAILURE ON COMMITM ENTS MADE, BCSBI CODE	NON OBSERV ANCE OF FAIR PRACTIC ES CODE	NOTES AND COINS	NON- ADHERENC E TO INSTRUCTI ONS ON DSA & RECOVERY AGENTS	OUT OF SUBJECT	OTHERS
<b>SCHEDULED COMMERCIAL BANKS</b>	<b>70804</b>	<b>0.05</b>	<b>0.04</b>	<b>0.72</b>	<b>3832</b>	<b>2562</b>	<b>5280</b>	<b>18204</b>	<b>4372</b>	<b>6471</b>	<b>6248</b>	<b>12573</b>	<b>56</b>	<b>277</b>	<b>2152</b>	<b>8777</b>
<b>PUBLIC SECTOR BANKS</b>	<b>48759</b>	<b>0.04</b>	<b>0.03</b>	<b>0.61</b>	<b>2785</b>	<b>1978</b>	<b>4132</b>	<b>10147</b>	<b>2319</b>	<b>6444</b>	<b>4679</b>	<b>8673</b>	<b>45</b>	<b>68</b>	<b>1752</b>	<b>5737</b>
<b>SBI AND ASSOCIATES</b>																
STATE BANK OF INDIA	21208	0.07	0.04	1.37	1227	809	1582	4994	961	3677	1862	3194	21	37	699	2145
STATE BANK OF BIKANER AND JAIPUR	1132	0.08	0.02	0.99	70	54	132	155	93	189	213	134	0	0	10	82
STATE BANK OF HYDERABAD	633	0.03	0.02	0.38	28	25	42	179	14	80	41	64	1	0	17	142
STATE BANK OF MYSORE	273	0.03	0.01	0.30	48	8	54	49	7	29	16	28	0	0	6	28
STATE BANK OF PATIALA	471	0.04	0.02	0.40	12	16	22	107	16	72	31	80	0	1	17	97
STATE BANK OF TRAVANCORE	651	0.04	0.01	0.60	30	27	109	98	55	71	59	101	1	2	8	90
<b>TOTAL( SBI AND ASSOCIATES )</b>	<b>24368</b>	<b>0.06</b>	<b>0.04</b>	<b>1.14</b>	<b>1415</b>	<b>939</b>	<b>1941</b>	<b>5582</b>	<b>1146</b>	<b>4118</b>	<b>2222</b>	<b>3601</b>	<b>23</b>	<b>40</b>	<b>757</b>	<b>2584</b>
ALLAHABAD BANK	980	0.03	0.03	0.35	61	53	62	100	45	98	105	262	1	2	76	115

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ANDHRA BANK	574	0.02	0.01	0.27	29	28	51	121	19	50	48	41	1	1	31	154
BANK OF BARODA	2409	0.04	0.02	0.50	143	140	156	384	118	199	367	570	0	2	106	224
BANK OF INDIA	2032	0.03	0.02	0.45	97	113	118	303	85	282	231	481	2	1	105	214
BANK OF MAHARASHTRA	479	0.02	0.02	0.26	26	14	37	72	65	29	49	134	0	3	5	45
CANARA BANK	2055	0.04	0.03	0.43	146	60	237	402	76	183	185	403	1	2	69	291
CENTRAL BANK OF INDIA	1645	0.03	0.03	0.36	70	83	138	252	53	222	191	363	4	2	103	164
CORPORATION BANK	682	0.03	0.03	0.35	48	20	88	204	35	14	43	92	1	2	12	123
DENA BANK	575	0.04	0.02	0.37	75	9	52	49	47	88	44	145	3	0	16	47
INDIAN BANK	1257	0.04	0.01	0.57	64	34	364	162	30	101	109	181	2	2	21	187
INDIAN OVERSEAS BANK	1335	0.04	0.04	0.41	70	52	250	245	65	95	117	215	0	0	29	197
ORIENTAL BANK OF COMMERCE	631	0.03	0.03	0.30	26	30	44	164	35	11	53	124	0	0	26	118
PUNJAB AND SIND BANK	292	0.04	0.03	0.22	7	15	21	16	8	29	25	72	1	0	22	76
PUNJAB NATIONAL BANK	3679	0.04	0.04	0.63	174	144	153	1065	154	473	271	655	2	3	123	462
SYNDICATE BANK	1117	0.03	0.03	0.35	54	35	84	203	63	97	96	224	1	0	51	209
UCO BANK	1046	0.05	0.02	0.37	56	66	70	105	68	140	138	235	1	1	59	107
UNION BANK OF INDIA	1945	0.04	0.03	0.50	143	77	130	416	99	147	186	454	1	5	80	207
UNITED BANK OF INDIA	660	0.03	0.04	0.36	31	29	42	101	53	56	94	162	0	0	28	64
VIJAYA BANK	317	0.02	0.02	0.21	19	14	39	54	19	11	31	78	0	0	13	39
TOTAL(OTHER THAN SBI & ASSOCIATES)	23710	0.03	0.03	0.42	1339	1016	2136	4418	1137	2325	2383	4891	21	26	975	3043
<b>OTHER PUBLIC SECTOR BANKS</b>																
IDBI BANK LIMITED	681	0.06	0.02	0.50	31	23	55	147	36	1	74	181	1	2	20	110
TOTAL(OTHER PSBs)	681	0.06	0.02	0.50	31	23	55	147	36	1	74	181	1	2	20	110

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<b>PRIVATE SECTOR BANKS</b>																
<b>OLD PRIVATE SECTOR BANKS</b>																
CATHOLIC SYRIAN BANK LTD	75	0.03	0.01	0.18	5	2	13	4	10	0	1	25	0	0	1	14
CITY UNION BANK LIMITED	125	0.04	0.01	0.29	10	6	33	8	16	0	10	14	1	0	2	25
FEDERAL BANK LTD	251	0.04	0.01	0.22	7	9	34	29	25	0	9	83	1	2	3	49
ING VYSYA BANK LTD	364	0.11	0.04	0.67	15	8	26	56	58	1	40	86	0	1	10	63
JAMMU AND KASHMIR BANK LTD	108	0.01	0.01	0.14	3	2	2	21	0	3	7	19	0	0	1	50
KARNATAKA BANK LTD	134	0.02	0.01	0.22	14	4	7	33	2	0	14	34	0	0	5	21
KARUR VYSYA BANK LTD	194	0.03	0.01	0.34	15	7	25	24	20	0	20	35	1	1	1	45
LAKSHMI VILAS BANK LTD	126	0.05	0.03	0.35	4	5	54	13	5	0	13	11	0	0	0	21
NAINITAL BANK LTD	15	0.02	0.00	0.13	2	0	0	0	0	0	1	2	0	0	4	6
RATNAKAR BANK LTD	48	0.10	0.03	0.28	4	1	4	8	2	0	3	18	0	0	0	8
SOUTH INDIAN BANK LTD	199	0.03	0.01	0.25	13	20	24	38	25	0	16	41	0	2	4	16
TAMILNAD MERCANTILE BANK LTD	127	0.03	0.01	0.35	5	3	38	9	4	0	9	31	1	1	2	24
THE DHANALAKSHMI BANK LTD	77	0.04	0.01	0.29	5	2	7	10	12	0	3	25	0	0	0	13
<b>TOTAL (OLD Pvt SECTOR BANKS)</b>	<b>1843</b>	<b>0.03</b>	<b>0.01</b>	<b>0.28</b>	<b>102</b>	<b>69</b>	<b>267</b>	<b>253</b>	<b>179</b>	<b>4</b>	<b>146</b>	<b>424</b>	<b>4</b>	<b>7</b>	<b>33</b>	<b>355</b>
<b>NEW PRIVATE SECTOR BANKS</b>																
AXIS BANK LIMITED	3139	0.11	0.06	1.33	132	100	119	925	502	1	265	599	0	10	62	424

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DEVELOPMENT CREDIT BANK LTD.	100	0.15	0.04	0.76	6	0	11	8	8	0	5	43	0	0	1	18
HDFC BANK LTD.	4822	0.09	0.08	1.44	213	112	190	1733	538	8	319	891	1	64	110	643
ICICI BANK LIMITED	5325	0.08	0.07	1.42	303	172	321	1823	343	10	416	941	4	70	121	801
INDUSIND BANK LTD	552	0.12	0.07	0.91	36	20	24	133	68	0	50	117	0	4	13	87
KOTAK MAHINDRA BANK LTD.	961	0.27	0.17	1.59	91	12	55	263	92	0	80	120	1	16	10	221
YES BANK LTD.	287	0.27	0.13	0.51	30	13	2	82	25	0	22	62	1	0	2	48
TOTAL (NEW Pvt SECTOR BANKS)	15186	0.1	0.07	1.34	811	429	722	4967	1576	19	1157	2773	7	164	319	2242
<b>FOREIGN BANKS</b>																
AB Bank Ltd.	3	2.02	0.00	3.00	0	0	0	2	0	0	0	1	0	0	0	0
Abu Dhabi Commercial Bank Ltd.	1	0.09	0.00	0.5	0	0	0	0	0	0	0	1	0	0	0	0
American Express Banking Corp.	80	0.02	0.10	80.00	0	0	0	63	2	0	1	8	0	0	2	4
Antwerp Diamond Bank NV	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Australia and New Zealand Banking Group Ltd.	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
BNP Paribas	1	0.18	0.00	0.11	0	0	0	0	0	0	0	0	0	0	0	1
Bank International Indonesia	0		0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Bank of America National Association	4	0.33	0.00	0.80	2	1	0	0	0	0	0	1	0	0	0	0
Bank of Bahrain & Kuwait B.S.C.	2	0.13	0.00	0.67	1	0	0	0	1	0	0	0	0	0	0	0
Bank of Ceylon	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0

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Bank of Nova Scotia	1	0.15	0.00	0.20	0	0	0	0	0	0	0	1	0	0	0	0
Barclays Bank PLC	87	3.22	10.85	9.67	0	1	5	43	4	0	2	18	0	2	1	11
Chinatrust Commercial Bank	2	1.51	0.00	1.00	0	0	0	0	0	0	0	1	0	0	0	1
Citibank N.A.	775	0.14	0.08	18.02	46	29	19	326	52	0	56	147	0	4	11	85
Commonwealth Bank of Australia	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Credit Agricole Corporate and Investment	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Credit Suisse AG	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
DBS Bank Ltd.	8	0.41	0.00	0.67	2	0	1	0	0	0	1	3	0	0	1	0
Deutsche Bank (Asia)	67	0.38	0.14	3.94	4	3	2	12	8	0	4	13	0	1	0	20
First Rand Bank	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
HSBC Bank Oman S.A.O.G	6	0.73	0.00	3.00	2	0	0	1	0	0	0	1	0	0	1	1
HSBC Ltd.	320	0.10	0.11	6.40	18	10	13	116	24	0	27	66	0	2	8	36
Industrial and Commercial Bank of China	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
JPMorgan Chase Bank National Association	1	0.43	0.00	1.00	0	0	0	0	0	0	0	1	0	0	0	0
JSC VTB Bank	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Krung Thai Bank Public Co. Ltd.	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Mashreqbank PSC	2	11.49	0.00	2.00	0	0	0	1	0	0	0	1	0	0	0	0
Mizuho Corporate Bank Ltd.	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
National Australia Bank	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Rabobank International	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0

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Sber Bank	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Shinhan Bank	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Societe Generale	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Sonali Bank	2	0.74	0.00	1.00	0	0	1	0	1	0	0	0	0	0	0	0
Standard Chartered Bank	3357	0.62	0.11	33.91	52	38	100	2139	189	4	156	389	0	19	18	253
State Bank of Mauritius Ltd.	1	0.41	0.00	0.25	0	0	0	0	0	0	0	0	0	0	0	1
Sumitomo Mitsui Banking Corporation	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1	0.17	0.00	0.25	0	0	0	0	0	0	0	0	0	0	0	1
The Royal Bank of Scotland N V	295	0.36	0.96	29.50	7	4	18	134	17	0	19	51	0	10	6	29
UBS AG	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
United Overseas Bank Ltd.	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
WestPac Banking Corporation	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Woori Bank	0	-	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL (FOREIGN BANKS)</b>	<b>5016</b>	<b>0.25</b>	<b>0.36</b>	<b>15.92</b>	<b>134</b>	<b>86</b>	<b>159</b>	<b>2837</b>	<b>298</b>	<b>4</b>	<b>266</b>	<b>703</b>	<b>0</b>	<b>38</b>	<b>48</b>	<b>443</b>
Primary Urban Co-operative Banks	389				20	6	11	20	26	0	6	225	0	0	11	64
RRBs	1201				90	47	204	28	67	7	132	333	0	6	160	127
OTHERS	4179				90	44	160	222	82	77	152	699	7	12	1741	893
<b>TOTAL</b>	<b>76573</b>				<b>4032</b>	<b>2659</b>	<b>5655</b>	<b>18474</b>	<b>4547</b>	<b>6555</b>	<b>6538</b>	<b>13830</b>	<b>63</b>	<b>295</b>	<b>4064</b>	<b>9861</b>





### **Abbreviations**

AA	- Appellate Authority	MSME	- Micro Small and Medium Enterprises
ARC	- Asset Reconstruction Company	NEFT	- National Electronic Fund Transfer
ATM	- Automated Teller Machine	NPA	- Non Performing Asset
BCSBI	- Banking Codes and Standards Board of India	NPCI	- National Payment Corporation of India
BPLR	- Benchmark Prime Lending Rate	OBO	- Office of the Banking Ombudsman
BO	- Banking Ombudsman	OD	- Overdraft
BOS	- Banking Ombudsman Scheme	PAN	- Permanent Account Number
CCTV	- Closed Circuit Television	PDC	- Post Dated Cheque
CEPD	- Consumer Education and Protection Department	PPO	- Pension Payment Order
CIBIL	- Credit Information Bureau of India Limited	POS	- Point of Sale
DSA	- Direct Sales Agent	PSU	- Public Sector Undertaking
ECS	- Electronic Clearing Service	RBI	- Reserve Bank of India
EDC	- Electronic Data Capture	RTI	- Right to Information
EMI	- Equated Monthly Installments	SB	- Savings Bank
FD	- Fixed Deposit	SB-NRO	- Savings Bank – Non Resident Ordinary
FDR	- Fixed Deposit Receipt	SBI	- State Bank of India
FIR	- First Information Report	SMS	- Short Message Service
IBA	- Indian Banks Association	SWIFT	- Society for Worldwide Interbank Financial Telecommunication
KYC	- Know Your Customer	TDS	- Tax Deducted at Source