



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI sets up a Working Group to Review Banking Ombudsman Scheme

Apropos the recommendations of the Committee on Customer Service in Banks (Damodaran Committee) pertaining to Banking Ombudsman Scheme 2006 and the Rajya Sabha Committee on Subordinate Legislation, a Working Group (Chairperson: Smt. Suma Varma) has been constituted in the Reserve Bank of India to review, update, and revise the Banking Ombudsman Scheme, 2006. This was revealed in the [Annual Report of the Banking Ombudsman Scheme, 2011-12](#) published here today by the Reserve Bank of India.

Presenting a brief review of the operations of the Banking Ombudsman Scheme, the Annual Report said that the total number of customer complaints received in Banking Ombudsman's (BO) offices of the Reserve Bank of India stood at 72,889 in 2011-12. Last year, the BO offices received 71,274 complaints. Kanpur and New Delhi continued to be the centres receiving the highest number of customer complaints in 2011-12, followed by Chennai and Bhopal.

The rate of disposal of customer complaints by Banking Ombudsmen was 94 per cent during 2011-12, the same as that done during the previous year.

The largest number (25 per cent) of customer complaints were about failure to meet commitments/non-observance of fair practices code, followed by (21 per cent) card related (ATM/Debit/Credit) complaints and complaints relating to deposit accounts (12 per cent). While card related complaints at 21 per cent of total complaints received, constituted the single largest ground of complaints received, in comparison to the previous year, this was a decline of 3 per cent in the number of complaints received on this count. Out of the total 14,492 card related complaints, 9348 complaints pertained to ATM / Debit Cards. Broadly, the reasons for complaints were: unsolicited cards, unsolicited insurance policies and recovery of premium, charging of annual fee in spite of being offered as 'free' card, authorisation of loans over phone, wrong billing, settlement offers conveyed telephonically, non-settlement of insurance claims after the demise of the card holder, excessive charges, wrong debits to account, non-dispensation of money from ATM, skimming of cards, etc.

BO Offices continued their efforts to enhance awareness and visibility of the Banking Ombudsman Scheme 2006, especially in rural and semi-urban areas through extensive awareness programmes. These included town hall events, effective use of audio/visual media, releasing documentaries in local languages, telecasting advertisements on Doordarshan, radio, participating in live phone-in TV programmes answering queries of viewers, advertisement campaigns in vernacular newspapers, publicity material, such as, FAQs on Banking Ombudsman Scheme, leaflets in vernacular languages.

Background

The Banking Ombudsman Scheme, 1995 was notified by the Reserve Bank on June 14, 1995 in terms of the powers conferred on the Bank by Section 35A of the Banking Regulation Act, 1949 (10 of 1949) to provide for a system of redressal of grievances against banks. Since then the scheme has been revised four times - in 2002, 2006, 2007 and 2009 to make it more relevant and effective. Presently, there are fifteen Banking Ombudsmen with specific jurisdiction covering the 29 States and seven Union Territories in India. Since January 2006, the BOS is fully funded and administered by the Reserve Bank of India and its serving officers in the rank of Chief General Managers and General Managers are posted as Banking Ombudsmen.

The Scheme covers a wide range of complaints concerning deficiency in banking service rendered by Scheduled Commercial banks, Scheduled Primary Urban Co-operative banks and the Regional Rural banks. The major areas of customer grievances covered under the scheme include credit card complaints, internet banking, deficiencies in providing the promised services by both bank and its sales agents (DSAs), levying service charges without prior notice to the customers, non-adherence to the Fair Practices Code adopted by individual banks, non-adherence to Banking Codes and Standards Board of India's Code of Bank's Commitment to Customers, etc. As on date, there are 27 grounds on which customers can approach the Banking Ombudsman citing deficiency in banking services.

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