

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:421  
ANSWERED ON:18.12.2009  
COMPLAINTS AGAINST BANKS  
Saroj Shri Tufani;Satpathy Shri Tathagata

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India/Banking Ombudsman have received complaints in regard to the deficiencies in the services/functioning etc., against the scheduled commercial banks operating in the country;
- (b) if so, the number and nature of complaints received during the last three years and the current year, bank-wise;
- (c) the follow up action taken thereon;
- (d) the details of the grievance redressal mechanism available with RBI/Banks;
- (e) whether this mechanism is able to cater to the needs of the customers; and
- (f) if so, the details thereof ?

**Answer**

FINANCE MINISTER (SHRI PRANAB MUKHERJEE).

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (A) TO (F) OF LOK SABHA STARRED QUESTION NO. 421 FOR 18 DECEMBER, 2009 TABLED BY SHRI TUFANI SAROJ AND SHRI TATHAGATA SATPATHY REGARDING COMPLAINTS AGAINST BANKS

(a) to (c) :- Fifteen Banking Ombudsman Offices located throughout country have received complaints from customers in regard to deficiencies in the customer services. The number of complaints during the last three years, current year and the number of cases disposed- of are given below:-

Particulars	2006-07	2007-08	2008-09	July 01, 09 to Nov 30,09
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Complaints brought forward from the previous year	6128	7105	5892	9433
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Complaints received at Banking Ombudsman offices during the year	38638	47887	69117	32472
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Total no. of complaints handled at Banking Ombudsman offices	44766	54992	75009	41905
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Complaints disposed of 37661 49100 65576 31216  
during the year (84.12)# (89.28)# (87.42)#

Complaints pending at the 7105 5892 9433 10689  
close of the year

# Figures in the bracket indicate the percentage disposal.

The details of complaints received bank-wise are given in Appendix. The complaints received in the Banking Ombudsman Office also include complaints received in respect of Regional Rural Banks and the Scheduled Primary Co-operative Banks.

(d) to (f):- For an effective complaint redressal mechanism and for strengthening customer services in Banks, a Master Circular has been issued by Reserve Bank of India (RBI) on July 1, 2009 which, inter-alia, lays down:-

- (I) Four tier institutional arrangement consisting of
- (i) Customer Service Committee of the Board,
  - (ii) Standing Committee of Executives on Customer Service,
  - (iii) a nodal department/official for customer service at the Head Office and Controlling Offices and
  - (iv) a Customer Service Committee at the branch level.

II) Banks have been advised to ensure that suitable mechanism exists for receiving and addressing complaints from customers/constituents with specific emphasis on resolving such complaints fairly and expeditiously regardless of the source of the complaints. These guidelines also stipulate that all the banks have a system of acknowledging the complaints, fix a time frame for resolving the complaints, ensure that redressal of complaints emanating from rural areas and those relating to financial assistance to Priority Sector and Government Poverty Alleviation Programmes should also form part of the above process.

Indian Banks` Association (IBA), in order to facilitate uniform implementation of `Code of Commitment by Banks to Customers` formulated by Banking Code and Standards Board of India (BCSBI), has issued a `Model Policy on Grievance Redressal In Banks` to ensure that a suitable mechanism is set up for receiving and addressing complaints from its customers/constituents with specific emphasis on resolving such complaints in a time bound manner. Further, IBA has advised that banks should give wide publicity to the grievance redressal machinery through advertisements and also by placing them on their websites, etc.

Banking Ombudsman Scheme has been notified by RBI in terms of power conferred under the Banking Regulation Act, 1949. The objective of the Scheme is to provide speedy and cost effective resolution of complaints of banks` customers relating to deficiencies in the banking services. The Scheme covers all Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Cooperative Banks. The Scheme is in operation since 1995 and has been revised during the years 2002, 2007 and 2009 to include grounds of complaints such as credit card issues, non-adherence to Fair Practice Code and levying of excessive charges without prior notice, internet banking, non-adherence to RBI guidelines on engagements of recovery agents etc.

As indicated in the table above, the percentage of complaints disposed of out of the total complaints in the each of the last three years has been much above 80%.

#### APPENDIX FOR THE LOK SABHA STARRED QUESTION NO.421

Bank group-wise complaints received by Banking Ombudsman during 2005-06 to 2007-08

Bank Group	2005-06	2006-07	2007-08	Total
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Nationalized Banks	10137	10543	12033	32713
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SBI Group	9892	11117	13532	34541
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Private Sector Banks	6754	9036	14077	29867
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Foreign Banks 2997 3803 6126 12926

Scheduled Primary Co-op. Banks 198 313 295 806

RRBs 794 536 826 2156

Subtotal 30772 35348 46889 113009

Others 2591 3290 998 6879

Total 33363 38638 47887 119888