

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3312
ANSWERED ON:13.08.2010
REVIEW OF BANKING OMBUDSMAN SCHEME
Karunakaran Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether banking Ombudsman scheme introduced in the Indian Overseas Banks;
- (b) if so, the details thereof;
- (c) whether the Government has made any assessment with regard to the functioning of the Ombudsman scheme; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): No, Sir. Banking Ombudsman scheme was introduced in 1995 to provide an expeditious and inexpensive forum to bank customers for resolution of their complaints relating to deficiency in banking services provided by commercial banks, regional rural banks and scheduled primary co-operative banks, having a place of business in India, whether such bank is incorporated in India or abroad. The scheme is neither applicable to the transactions/ business carried outside India nor to the branches of Indian banks functioning overseas.

(c) and (d): The feedback gathered in the course of administering the Banking Ombudsman scheme has been used by Reserve Bank of India (RBI) to modify the scheme from time to time. The scheme was revised in the year 2002, 2006, 2007 and 2009. The awareness about the scheme and enlarged scope of `deficiency in banking services` has resulted in the number of complaints being handled under the scheme go up sharply. However, the scheme is not assessed with regard to Indian banks functioning abroad as it is not applicable to them.