

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2539  
ANSWERED ON:09.12.2011  
BANKING OMBUDSMAN  
Bajwa Shri Partap Singh

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

- (a) the details of the efforts being made by the Government to promote the role of the Banking Ombudsman in rural areas;
- (b) whether there has been any noteworthy response to the scheme from rural areas of the country, particularly from Punjab;
- (c) if so, the details thereof;
- (d) whether the Government has any proposal to make the office of the Banking Ombudsman a statutory office; and
- (e) if so, the details thereof alongwith the steps taken/being taken by the Government to enhance the powers of the Banking Ombudsman?

**Answer**

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

(a)to(c): There are 15 Banking Ombudsman (BO) Offices situated across the Country to spread awareness about the Banking Ombudsman Scheme especially in rural areas. Intensive awareness campaigns are undertaken to ensure greater reach of the Scheme among the members of public. Banking Ombudsmen participate in various awareness campaigns under Financial Inclusion and Literacy Programme and visit a number of villages in various Districts under respective territorial jurisdiction of the BOs. Participation in various important fairs and festivals in the State, face to face interaction with members of public at various places at block level, participating in seminars organised by Government of India in association with RBI are some of the other initiatives undertaken by the Officers of BOs. Number of complaints received from rural areas by the BOs initially increased from 13915 in 2008-09 to 25055 in 2009-10 but, thereafter, declined to 7818 in 2010-11. However, there was a marginal increase in the number of complaints from 446 in 2009-10 to 477 in 2010-11 from rural areas in Punjab in the office of BO, Chandigarh.

(d)&(e): Presently, the Banking Ombudsman Scheme is notified under Section 35 A of the Banking Regulation Act, 1949 and is an Alternate Dispute Resolution Mechanism which is optional and voluntary. The Banking Ombudsman Scheme clearly defines the power and jurisdiction of the Banking Ombudsman, and is manned by senior officers of the Reserve Bank of India, who have full functional and operational freedom to adjudicate complaints within their respective jurisdictions. With a view to make the Scheme effective and transparent, there is the facility of appeal and the Appellate Authority is the Deputy Governor of the Reserve Bank of India. With a view to create a level field, the right of appeal is conferred both on the bank and customers as well.