

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3723
ANSWERED ON:16.12.2011
HARASSMENT OF CUSTOMERS BY BANKS
Rawat Shri Ashok Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received complaints against banks for harassing their customers not only after issuing credit cards/disbursal of loans to them but even after repayment of the loans by them;
- (b) if so, the details thereof for each of the last three years and the current year alongwith the action taken on such complaints; and
- (c) the other remedial measures taken/being taken by the Government in this direction?

Answer

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

(a): Credit card related complaints are generally received from the customers on the grounds of non-adherence by banks or its subsidiaries to the instructions of Reserve Bank of India on credit card operations.

(b): Number of complaints received by the office of the Banking Ombudsman relating to credit card operations of Scheduled Commercial Banks are as under:

Year No. of complaints
(From July to June)

2008-09 17603

2009-10 17098

2010-11 11800

July - Nov.2011 5554

Note: Data on complaints regarding harassment by banks not only after issuing credit cards/disbursal of loans but also after repayment of loans are not available.

(c): RBI has issued instructions from time to time to all Scheduled Commercial Banks advising them to follow guidelines issued for engagement and training of recovery agents, methods to be followed by them, as well as for avoiding adoption of uncivilised, unlawful and questionable behaviour of recovery agents during the process of recovery, as banks are responsible for the acts of their agents. In order to mitigate the problems faced by the customers, banks and their agents are required to follow the 'Code of Bank's Commitment to Customers' issued by the Banking Codes and Standards Board of India(BCSBI) and Fair Practice Code for the Lenders.

RBI had also introduced Banking Ombudsman Scheme (BOS) to provide expeditious and inexpensive forum to resolve all complaints of customers of all Scheduled Commercial Banks, Regional Rural Banks and even Primary Cooperative Banks. There are 15 offices of Banking Ombudsman spread all over the country who have power to award compensation upto Rs. 1 lakh in case of complaints arising out of credit card operations by banks, taking into account the loss of complainant's time, expenses incurred by the

complainant, harassment and mental anguish suffered. Complaints relating to harassment by recovery agents while collecting credit card dues are also being dealt with as per extant provisions.