

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3814

ANSWERED ON:16.12.2011

COMPLAINT AGAINST FOREIGN BANKS

Jaiswal Shri Gorakh Prasad ;Kumar Shri Kaushalendra;Patel Shri Natubhai Gomanbhai;Ramkishun Shri ;Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints against public and private sector banks and foreign banks for involvement of their officers/officials in irregularities, harassment of their customers and other deficiency in services during each of the last three years and the current year;

(b) if so, the details thereof, Bank-wise and the reasons therefor alongwith the action taken on such complaints; and

(c) the corrective steps taken/being taken by the Government/RBI in this direction?

Answer

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

(a): 15 Banking Ombudsman offices of Reserve Bank of India (RBI) spread across the country receive and resolve complaints relating to deficiency in banking services provided by all Scheduled Commercial Banks and their agents, Regional Rural Banks and Scheduled Primary Co-operative Banks as per the provisions of the Banking Ombudsman Scheme 2006 .

(b): A Statement showing Bank categorywise complaints received during the last three years is attached at Annexure. However, the data reporting system of RBI does not generate information relating to Bank-wise and sector-wise disposal of complaints.

(c): RBI has issued instructions from time to time to all Scheduled Commercial Banks (SCBs) advising them to follow the guidelines issued for engagement of recovery agents, methods to be followed by recovery agents, training to recovery agents, taking possession of property mortgaged / hypothecated to banks etc. Banks were also advised that they, as principals, are responsible for the actions of their agents and they should ensure that agents engaged for recovery of their dues should strictly adhere to the guidelines and instructions, including the Banking Code and Standard Board of India (BCSBI) Code, Fair Practices Code for Lenders etc. in the process of recovery of dues. Complaints received in the matter are dealt with by Banking Ombudsman as per extant instructions and as per provisions of the Banking Ombudsman Scheme and corrective action taken in all such cases.