

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2637

ANSWERED ON:09.12.2011

SERVICES BY BANKS

Singh Shri Rajiv Ranjan (Lalan);Yadav Shri Dinesh Chandra

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

- (a) whether the condition of services being provided by the banks to small and retail customers in the country is reported to be unsatisfactory;
- (b) if so, the details thereof;
- (c) whether the Reserve Bank of India (RBI) has constituted a committee to conduct a study in this regard;
- (d) if so, the details and composition thereof; and
- (e) the time by which the said committee is likely to submit its report?

**Answer**

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

(a) to (e) Customer service in the banking industry is increasingly becoming important as banks are privileged institutions and banking is a special public utility service. Within the domain of necessary freedom to banks to choose the types of services to be offered to the small and retail customers and related costs, concerted efforts need to be made to further develop a credible and effective functional system of attending to customer complaints. For this purpose, it has been felt that the internal structures of banks need to be made functionally effective and scaled up to attend to not only basic customer needs, but the special needs of disadvantaged groups including small and retail customers. Presently, all the Scheduled Commercial Banks (SCBs) have a tiered mechanism for customer grievance redressal. In order to look into banking services rendered to retail and small customers, including pensioners as well as the system of grievance redressal mechanism prevalent in banks, RBI had set up a Committee under the Chairmanship of Shri M. Damodaran, former Chairman SEBI, on May 26, 2010. The Committee has since submitted its report on July 4, 2011.