

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:486
ANSWERED ON:07.08.2009
GUIDELINES REGARDING RECOVERY AGENTS
Chitthan Shri N.S.V.;Jindal Shri Naveen

Will the Minister of FINANCE be pleased to state:

- (a) whether recovery agents of the private sector banks and financial organisations have been harassing the defaulters over a period of time despite RBI / Supreme Court guidelines;
- (b) if so, the action taken by the Government in this regard;
- (c) whether the Reserve Bank of India has issued any guidelines for appointment of recovery agents;
- (d) if so, the details thereof;
- (e) whether any mechanism has been evolved to enforce these guidelines; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.486 FOR 7th AUGUST, 2009 REGARDING GUIDELINES REGARDING RECOVERY AGENTS TABLED BY SHRI N.S.V. CHITTHAN AND SHRI NAVEEN JINDAL

(a) to (f) : To regulate the conduct of recovery agents engaged by banks and to protect the rights of the banks` customers, the Reserve Bank of India (RBI), on 24th April, 2008, issued guidelines on `recovery agents engaged by banks`. These guidelines cover various operational issues concerning engagement of recovery agents by the banks, including the methods to be followed by them for recovery of dues, training for the recovery agents, procedure for taking possession of property mortgaged / hypothecated to the banks, etc. The banks have also been advised to strictly abide by the codes pertaining to collection of dues.

The bank customers aggrieved by the conduct of recovery agents can seek redressal of their grievances under the Banking Ombudsman Scheme, 2006. The Banking Ombudsman is empowered to pass an `award compensating the customer upto Rs. 1 lakh on account of harassment and mental anguish suffered by him.