

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2767
ANSWERED ON:29.08.2012
AGENTS IN BANKS QUESTION
Rama Devi Smt.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received any complaints regarding the functioning and presence of agents in public sector banks;
- (b) if so, the details thereof; State, district and bank-wise including Bihar; and
- (c) the action taken/proposed to be taken in this regard?

Answer

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

(a) & (b): Yes Sir. Non-adherence to the instruction of RBI on engagement of recovery agents by banks is a specific ground of complaint under the Banking Ombudsman Scheme, 2006. During 2011-12, 145 complaints were lodged in the Offices of Banking Ombudsmen against the Public Sector Banks engaging recovery agents as against 120 in 2010-11 and 645 in 2009-10.

RBI data capturing system does not maintain State and District-wise data(including Bihar) on complaint regarding functioning and presence of agents in Public Sector Banks.

(c): The RBI has taken the following steps regarding engagement of recovery agents by the banks:-

Reserve Bank has issued detailed guidelines to banks on engagement and training of recovery agents by banks. Banks have been advised to ensure that the recovery agents are properly trained to handle with care and sensitivity, their responsibilities, in particular aspects like hours of calling, privacy of customer information etc. Banks have also been advised to ensure that the contracts with the recovery agents do not induce adoption of uncivilized, unlawful and questionable behaviour or recovery process.

Banks, as principals, are responsible for the actions of their agents. Hence, banks have been advised to ensure that their agents engaged for recovery of their dues should strictly adhere to the guidelines and instructions issued by RBI, including the Banking Code & Standard Board of India (BCSBI) Code and Fair Practices Code duly approved by their respective Boards of Directors for recovery of dues.

Reserve Bank has issued detailed guidelines on Recovery Agents engaged by banks covering the process of recruiting, incentive, methods followed by recovery agents, training for recovery agents, taking possession of property mortgaged/hypothecated to banks, complaints against the bank/its recovery agents. The above guidelines form part of the Master Circular on Credit Card Operations of banks (RBI/2012-13/71 DBOD.No.FSD.BC. 23/24.01,011/2012-13 dated July 2, 2012) and is available in the Banks website <http://www.rbi.org.in/scripts/Notification>.