

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5112

ANSWERED ON:26.04.2013

CODE OF BANKS COMMITMENTS

Jaiswal Shri Gorakh Prasad ;Laguri Shri Yashbant Narayan Singh;Singh Rajkumari Ratna;Sinh Dr. Sanjay

Will the Minister of FINANCE be pleased to state:

- (a) whether the banks are mandated to comply with the code of Bank`s Commitments to Customers, `The Code`;
- (b) if so, the details thereof;
- (c) whether instances of non-compliance of `The Code` by banks come to the notice of the Government/Reserve Bank of India (RBI) during each of last three years and the current year;
- (d) if so, the details thereof along with the action taken thereon, bank-wise;
- (e) whether the Government/RBI proposes to undertake any review of `The Code`; and
- (f) if so, the details thereof and the reasons therefor?

Answer

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

(a) & (b) The Banking Codes and Standards Board of India (BCSBI) is an independent and autonomous body engaged to in ensuring that the consumer of banking services get what they are promised by the banks. The BCSBI has published two voluntary comprehensive Codes i.e. Code of Bank`s Commitment to Customers and Code of Bank`s Commitment to Micro and Small Enterprises, for banks, providing for fair treatment to their customers.

Membership of BCSBI is voluntary and open to scheduled banks. Any scheduled bank that has opted for membership of the BCSBI is committed to follow the Code of Bank`s Commitment to Customers, which sets minimum standards of banking practices for banks to follow when they are dealing with individual customers. The Code, in a way, embodies the rights of the customer vis-a-vis his/her bank.

BCSBI monitors the implementation of the Code through an Annual Statement of Compliance submitted by the Head Office of each member bank. Visits to Head offices and branches of banks are occasionally undertaken to assess level of implementation of the Code. BCSBI, through a collaborative approach, works with each member bank to ensure that gaps in their processes and systems are rectified so that the bank becomes compliant with the Code.

(c) & (d): Yes, Sir. Under the Banking Ombudsman Scheme of RBI, 15 offices of the Banking Ombudsman situated across the country resolve the complaints pertaining to deficiency in banking services on the grounds of complaints as laid down in the Scheme. `Non-adherence to the provisions of the Code of Banks Commitments to Customers issued by the Banking Codes and Standards Board of India and as adopted by the bank` is also a ground of complaint specified under the Scheme.

The number of complaints handled by all the Banking Ombudsman on `Non adherence to BCSBI Code` during the last three years and the current year (as on 31.03.2013) is given below:

Year	Complaints Handled	Complaints disposed	Complaints pending #
2009-10	2092	2019	73
2010-11	2345	2147	198
2011-12	3926	3629	297
2012-13	794	735	59 #

(upto March 31, 2013)

#position as on June 30 of respective year, since disposed # resolution in progress

(e) & (f) In terms of clause 12 of the Code of Bank`s Commitment to Customers (issued in August 2009), the Code will be reviewed within a period of three years, in a transparent manner. The Code of Bank`s Commitment to Micro and Small Enterprises was reviewed by BCSBI in 2012. BCSBI has constituted a Working Group to review the Code of Banks Commitment to Customers, which had its first meeting in January 2013. The Working Group is yet to submit its report.