

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4444
ANSWERED ON:19.12.2014
CHEQUE CLEARANCE
Hansdak Shri Vijay Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether cases of delayed cheque clearance by banks resulting in loss to the customers have been reported in the recent past;
- (b) if so, the details thereof during the last three years and the current year;
- (c) whether the Reserve Bank of India (RBI) asked the banks to reframe their cheque collection policy and include provisions for compensation to the customers in case of delay in cheque clearance;
- (d) if so, the details thereof and the reaction of the Government thereto,, and
- (e) the other steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) and (b): 15 offices of Banking Ombudsman in India handle complaints on deficiency of banking services under the Banking Ombudsman Scheme, 2006. `Non-Payment or inordinate delay in payment or collection of cheques, drafts, bills, etc.` is one of the ground of complaints under Banking Ombudsman Scheme 2006. Complaints handled by the offices of Banking Ombudsman on delay in payment or collection cheque, DD, bills etc. relating to all commercial banks during the last three years and the current year are as under;

Year	Complaints handled
2011-12	3102
2012-13	1958
2013-14	1950
2014-15	1101
till 15th Dec.)	

(c) to (e): Reserve Bank of India (RBI) had been issuing instructions, from time to time, to banks on issue relating to (i) immediate credit of local/ outstations cheques (ii) timeframe for collection of focal/ outstation cheques, and (iii) interest payment for delayed collection. However, efficiencies in collection of proceeds and providing funds to customers in time is best achieved through a spirit of competition among the bank rather than through issue of guidelines by RBI. In view of this, RBI decided that the issue may be left to the individual bank to formulate policies in this regard. Accordingly Banks were advised that they should formulate a comprehensive and transparent policy covering all the above three aspects, taking into account their technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents. Banks have also been asked that adequate care may-be taken to ensure that the interest of small depositors are fully protected and the policy should clearly lay down the liability of the banks by way of interest payment due to delays for non-compliance with the standards set by the banks themselves. Compensation by way of interest payment, where necessary, should be made without any claim from the customer.

The customers should be clearly apprised of the assurances of the bank on the services on these aspects at the time of establishment of the initial relationship, be it as a depositor, borrower or otherwise. Further, the banks have been asked to take necessary steps to keep the customers duly informed of the changes in the policy formulated by them from time to time.