

April 19, 2005

To  
All Scheduled Commercial Banks  
(Excluding RRBs)

Dear Sir,

**Role of the Customer Service Committee of the Board - Monitoring the implementation of awards under the Banking Ombudsman Scheme**

Please refer to the Governor's D.O. letter dated August 14, 2004 addressed to Public Sector Banks / Private Sector Banks and Governor's letter dated August 26, 2004 addressed to select Foreign Banks regarding constitution of the Customer Service Committee of the Board and also advising the banks regarding role of Customer Service Committee of the Board. In this connection, it has been decided that the above Committee should also play a more pro-active role with regard to complaints / grievances resolved by Banking Ombudsmen of the various States as indicated below.

2. The Scheme of Banking Ombudsman was introduced with the object of enabling resolution of complaints relating to provision of banking services and resolving disputes between a bank and its constituent as well as between one bank and another bank through the process of conciliation, mediation and arbitration in respect of deficiencies in customer service. After detailed examination of the complaints / grievances of customers of banks and after perusal of the comments of banks, the Banking Ombudsmen issue their awards in respect of individual complaints to redress the grievances. It has however been reported that the banks enter into further correspondence and continue to delay the implementation of the awards. As the delays in redressal defeats the objective of the Banking Ombudsman Scheme, banks are advised to ensure that the Awards of the Banking Ombudsmen are implemented immediately and with active involvement of Top Management.

3. Further, with a view to enhancing the effectiveness of the Customer Service Committee, banks are also advised to:

- a) Place all the awards before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in banks, if any, brought out by the awards; and
- b) Place all the awards remaining unimplemented for more than three months with the reasons therefor before the Customer Service Committee to enable the Customer Service Committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action.

4. Please acknowledge receipt.

Yours faithfully

(Anand Sinha)  
Chief General Manager-in-Charge