

October 17, 2005

To Chairmen / CEOs of all the banks participating in Electronic Clearing Services

Dear Sir

Electronic Clearing Service (ECS)

As you may be aware, Electronic Clearing service (ECS) is increasingly being used by various users like Govt. Departments, corporate bodies, etc. for repetitive payments like salary, pension, dividends, interest, etc.

2. While ECS has proved to be of great convenience to both, the users and the beneficiary customers, there has been a rise in the number of complaints. The main complaint is that details provided by the banks in the Pass Book / Statement of Accounts for the ECS entries, are not complete and in the absence of details, reconciliation of transactions by the customers becomes very difficult. You would appreciate that the Committee on Procedures and Performance Audit of Public Services (CPPAPS)(Tarapore Committee) has emphasized the need for full details of transactions in the statements.

3. It may be mentioned that in the ECS report (paper as well as electronic), a short abbreviation of the user name is provided to the banks to facilitate provision of details in the account statements. This abbreviation may be appropriately captured and utilized.

4. In view of the above, suitable instructions may please be issued to your branches to provide the required details to the customers in their Pass Book / Account Statement regarding the credits effected through ECS. Appropriate technology solutions may also be adopted to make the above simpler.

5. Similar approach may be adopted for capturing the sender / remittance details for other electronic payment products like EFT, SEFT, RTGS, etc., as well.

Yours faithfully

Sd/-

(Kaza Sudhakar)
General Manager