

CSD.BOS. 4638 /13.01.01/2006-07

May 24, 2007

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (10 of 1949) and in partial modification of its Notification Ref. RPCD.BOS.No.441/13.01.01/2005-06 dated December 26, 2005, the Reserve Bank of India hereby amends the Banking Ombudsman Scheme, 2006 to the extent specified in the Annex hereto. These amendments shall come into force with immediate effect.

The Reserve Bank hereby directs that all commercial banks, regional rural banks and scheduled primary co-operative banks shall comply with Banking Ombudsman Scheme, 2006 as hereby amended.

(Usha Thorat)
Deputy Governor

Amendments to the Banking Ombudsman Scheme, 2006

1. In the Banking Ombudsman Scheme, 2006 (hereinafter referred to as the 'principle scheme'), clause 13 shall be substituted by the following, namely:-

"13. REJECTION OF THE COMPLAINT

The Banking Ombudsman may reject a complaint at any stage if it appears to him that the complaint made is;

- (a) not on the grounds of complaint referred to in clause 8 or
- (b) beyond the pecuniary jurisdiction of Banking Ombudsman prescribed under clause 12 (5) or
- (c) frivolous, vexatious, malafide; or
- (d) without any sufficient cause; or
- (e) that it is not pursued by the complainant with reasonable diligence; or
- (f) in the opinion of the Banking Ombudsman there is no loss or damage or inconvenience caused to the complainant; or
- (g) requiring consideration of elaborate documentary and oral evidence and the proceedings before the Banking Ombudsman are not appropriate for adjudication of such complaint. "

2. In the principal scheme, in clause 13, sub. clause (2) shall be omitted.

3. In the principal scheme, in clause 14, sub. clause (1) shall be substituted by the following, namely :-

"(1) Any person aggrieved by an Award under clause 12 or rejection of a complaint for the reasons referred to in sub. clauses (c) to (g) of clause 13, may within 30 days of the date of receipt of communication of Award or rejection of complaint, prefer an appeal before the Appellate Authority;

Provided that in case of appeal by a bank, the period of thirty days for filing an appeal shall commence from the date on which the bank receives letter of acceptance of Award by complainant under sub. clause (8) of clause 12;

Provided that the Appellate Authority may, if he is satisfied that the applicant had sufficient cause for not making the appeal within time, allow a further period not exceeding 30 days;

Provided further that appeal may be filed by a bank only with the previous sanction of the Chairman or, in his absence, the Managing Director or the Executive Director or the Chief Executive Officer or any other officer of equal rank.”

4. In the principal scheme, in clause 12, sub. clause 8 shall be substituted by the following, namely :-

“(8) An award shall lapse and be of no effect unless the complainant furnishes to the bank concerned within a period of 30 days from the date of receipt of copy of the Award, a letter of acceptance of the Award in full and final settlement of his claim.

Provided that no such acceptance may be furnished by the complainant if he has filed an appeal under sub. clause (1) of clause 14.”

5. In the principal scheme, in clause 12, sub. clause (9) shall be substituted by the following, namely, :-

“(9) The bank shall, unless it has preferred an appeal under sub. clause (1) of clause 14, within one month from the date of receipt by it of the acceptance in writing of the Award by the complainant under sub-clause (8), comply with the Award and intimate compliance to the Banking Ombudsman.”