



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

DEPUTY GOVERNOR

THE BANKING OMBUDSMAN SCHEME 2006
NOTIFICATION

Ref.CEPD.PRS.No.6317/13.01.01/2016-17

JUNE 16, 2017

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (10 of 1949) and in partial modification of its Notifications Ref. (i) RPCD.BOS.No. 441/13.01.01/2005-06 dated December 26, 2005, (ii) [CSD.BOS 4638/13.01.01/2006-07 dated May 24, 2007](#) and (iii) CSD.BOS.No. 4736/13.01.01/2008-09 dated February 3, 2009, Reserve Bank of India hereby amends the [Banking Ombudsman Scheme 2006](#) to the extent specified in the Annex hereto. The Reserve Bank of India, hereby directs that all commercial banks, regional rural banks and scheduled primary co-operative banks shall comply with the Banking Ombudsman Scheme, 2006 as amended hereby.

2. The amendments in the Scheme shall come into force from **July 1, 2017**.

sd/-

(S S Mundra)



ANNEX

Amendments to the Banking Ombudsman Scheme, 2006

1. In the Banking Ombudsman Scheme, 2006 (hereinafter referred to as the 'principal scheme', sub paragraph (2) of paragraph 7 shall be substituted by the following, namely, -

(2) The Banking Ombudsman shall receive and consider complaints relating to the deficiencies in banking or other services filed on the grounds mentioned in clause 8 irrespective of the pecuniary value of the deficiency in service complained and facilitate their satisfaction or settlement by agreement or through conciliation and mediation between the bank concerned and the aggrieved parties or by passing an Award as per the provisions of the Scheme.

2. In the principal scheme, clauses (l) in sub paragraph (1) of paragraph 8 shall be omitted and the following clauses (l) (m) & (n) shall be inserted after clause (k) in the sub paragraph (1) of paragraph 8.

l. Non-adherence to the instructions of Reserve Bank on ATM / Debit Card and Prepaid Card operations in India by the bank or its subsidiaries on any of the following:

- i. Account debited but cash not dispensed by ATMs
- ii. Account debited more than once for one withdrawal in ATMs or for POS transaction
- iii. Less/Excess amount of cash dispensed by ATMs
- iv. Debit in account without use of the card or details of the card
- v. Use of stolen/cloned cards
- vi. Others

m. Non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on credit card operations on any of the following:

- i. Unsolicited calls for Add-on Cards, insurance for cards etc.
 - ii. Charging of Annual Fees on Cards issued free for life
 - iii. Wrong Billing/Wrong Debits
 - iv. Threatening calls/ inappropriate approach of recovery by recovery agents including non-observance of Reserve Bank guidelines on engagement of recovery agents
 - v. Wrong reporting of credit information to Credit Information Bureau
 - vi. Delay or failure to review and correct the credit status on account of wrongly reported credit information to Credit Information Bureau
 - vii. Others
- n. Non-adherence to the instructions of Reserve Bank with regard to Mobile Banking / Electronic Banking service in India by the bank on any of the following:
- i. delay or failure to effect online payment / Fund Transfer,
 - ii. unauthorized electronic payment / Fund Transfer,

3. The clauses from (m) to (t) in sub-paragraph 1 of paragraph 8 of the principal scheme shall be renumbered as (o) to (v) respectively.

4. In the principal scheme, sub paragraph (1) of paragraph 8 after clause (t), the following clause (w) shall be inserted: -

- w. Non-adherence to Reserve Bank guidelines on para-banking activities like sale of insurance / mutual fund /other third party investment products by banks with regard to following:
- i. Improper, unsuitable sale of third party financial products
 - ii. non-transparency / lack of adequate transparency in sale
 - iii. non-disclosure of grievance redressal mechanism available
 - iv. delay or refusal to facilitate after sales service by banks

5. The clause (u) in sub-paragraph 1 of paragraph 8 of the principal scheme has been renumbered as clause (x)

6. In the 'principal scheme', sub paragraph (2) of paragraph 11 shall be substituted by sub paragraph (2) & (3), namely, -

(2) For the purpose of promoting a settlement of the complaint, the Banking Ombudsman shall not be bound by any rules of evidence and may follow such procedure as he may consider just and proper, which shall, however, at the least, require the Banking Ombudsman to provide an opportunity to the complainant to furnish his/her submissions in writing along with documentary evidence within a time limit on the written submissions made by the bank.

Provided, where the Banking Ombudsman is of the opinion that the documentary evidence furnished and written submissions by both the parties are not conclusive enough to arrive at a decision, he may call for a meeting of bank or the concerned subsidiary and the complainant together to promote an amicable resolution.

Provided further that where such meeting is held and it results in a mutually acceptable resolution of the grievance, the proceedings of the meeting shall be documented and signed by the parties specifically stating that they are agreeable to the resolution and thereafter the Banking Ombudsman shall pass an order recording the fact of settlement annexing thereto the terms of the settlement.

(3) The Banking Ombudsman may deem the complaint as resolved, in any of the following circumstances:

- a. Where the grievance raised by the complainant has been resolved by the Bank or the concerned subsidiary of a bank with the intervention of the Banking Ombudsman; or
- b. The complainant agrees, whether in writing or otherwise, to the manner and extent of resolution of the grievance provided by the Banking Ombudsman based on the conciliation and mediation efforts; or

- c. In the opinion of the Banking Ombudsman, the bank has adhered to the banking norms and practices in vogue and the complainant has been informed to this effect through appropriate means and complainant's objections if any to the same are not received by Banking Ombudsman within the time frame provided.

7. In the 'principal scheme', sub paragraph (3) of paragraph 11 shall be renumbered as sub paragraph (4)

8. In the 'principal scheme', sub paragraph (5) & (6) of paragraph 12 shall be substituted by the following, namely, -

(5) Notwithstanding anything contained in Sub-Clause (4), the Banking Ombudsman shall not have the power to pass an Award directing payment of an amount towards compensation which is more than the actual loss suffered by the complainant as a direct consequence of the act of omission or commission of the bank, or two million rupees whichever is lower. The compensation that can be awarded by the Banking Ombudsman shall be exclusive of the amount involved in the dispute.

(6) The Banking Ombudsman may also award compensation in addition to the above but not exceeding Rs. 0.1 million to the complainant, taking into account the loss of the complainant's time, expenses incurred by the complainant, harassment and mental agony suffered by the complainant.

9. In the 'principal scheme', sub paragraph (a) of paragraph 13 shall be substituted by sub paragraph (a) & (b), namely, -

- a. Not on the grounds of complaint referred to in clause 8; Or
- b. Otherwise not in accordance with Sub Clause (3) of clause 9; Or

In the 'principal scheme', sub paragraphs (b) to (f) of paragraph 13 shall be renumbered as sub paragraph (c) to (g), respectively

10. In the principal scheme, under paragraph 13, the following sub-paragraph (2) shall be inserted:

(2) The Banking Ombudsman, shall, if it appears at any stage of the proceedings that the complaint pertains to the same cause of action, for which any proceedings before any court, tribunal or arbitrator or any other forum is pending or a decree or Award or order has been passed by any such court, tribunal, arbitrator or forum, pass an order rejecting the complaint giving reasons thereof.

11. In the 'principal scheme', sub paragraph (1) of Clause 14 shall be substituted by sub paragraph (1), namely, -

14.(1) Party to the complaint aggrieved by an Award under Clause 12 or rejection of a complaint for the reasons referred to in sub clauses (d) 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;
