PRESS RELEASE

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Customers can now appeal against the Banking Ombudsman's Decision

Bank customers can now appeal against the decision of the Banking Ombudsman where he has rejected the customer's complaint relating to matters falling within the grounds of complaints specified under the scheme. The Reserve Bank of India has amended the Banking Ombudsman Scheme, 2006 to enable the customers to appeal against the Banking Ombudsman's decision. The amendments are available on the RBI website. Before the scheme was amended, the bank customers could appeal only against the awards given by the Banking Ombudsman. The appellate authority for the Banking Ombudsman Scheme is the Deputy Governor of Reserve Bank of India.

It may be recalled that in the Annual Policy for 2007-2008, the Reserve Bank had announced that based on customer feedback, it would amend the Banking Ombudsman Scheme, 2006 to extend the appeal option also to the decisions of the Banking Ombudsman.

Originally introduced in 1995, the Banking Ombudsman Scheme enables speedy and cost effective resolution of complaints of bank customers relating to deficiency in bank services. The Scheme now covers all Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks. The customers can also now complain to the Banking Ombudsman against deficiency in almost any banking services, including credit cards, after exhausting the channel available with the bank concerned for resolving their complaints. The Reserve Bank has appointed 15 Banking Ombudsmen who are located mostly in State Capitals under the Scheme. The Banking Ombudsman tries to resolve the complaint through conciliation or mediation and even passes an award if it is not resolved through such settlement.

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