



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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## RBI releases Annual Report of the Banking Ombudsman Scheme

The Reserve Bank of India, today, released the [Annual Report of the Banking Ombudsman Scheme for the year 2010-2011](#). The Banking Ombudsman Scheme was instituted by the Reserve Bank in 1995 to provide speedy solutions to the grievances of bank customers. There are 15 Offices of Banking Ombudsmen across the country. The report is a synopsis of activities of all the offices of Banking Ombudsman.

The report indicates that compared to last year there was decline of 10 per cent in number of complaints received by Ombudsman Offices in the year 2010-11. People still preferred physical mode of complaint to electronic mode which is evident from the fact that 73 per cent complaints were received by way of letters/post cards/fax whereas complaints received by email and online constituted 14 per cent and 13 per cent, respectively. Banking Ombudsman offices redressed 94 per cent of the complaints received during the year. The report also records various customer service initiatives by the Reserve Bank and some exemplary cases dealt with by offices of the Banking Ombudsman during the year.

### Highlights

- During the year 2010-11, the Banking Ombudsmen received 71,274 complaints, compared to 79,266 complaints received during the previous year.
- Receipt of complaints declined by 10 per cent during the year.
- Banking Ombudsmen disposed of 94 per cent of the total complaints received.
- Thirty one per cent of the total complaints received were against State Bank of India and Associates, followed by 29 per cent against nationalised banks, 24 per cent against private sector banks and 10 per cent against foreign banks.
- ATM cards, debit and credit card related complaints (24 per cent) continued to be the single largest area of complaints.

- Non-adherence to prescribed working hours, refusal to accept, or delay in accepting, payments towards taxes, refusal to issue /delay in issuing or failure to service, or delay in servicing, or redemption of Government securities, refusal to close or delay in closing of accounts were other areas of complaints.
- The Appellate Authority handled 167 appeals during the year. No appeal was pending at the end of 2010-11.
- Intensive awareness campaigns were undertaken by Banking Ombudsmen throughout the year to ensure greater reach of the Scheme among the members of public.
- Feedback emanating from complaints handled by the Banking Ombudsmen resulted in several customer-centric policy decisions by the Reserve Bank during the year.
- The Committee on Customer Service in Banks (Damodaran Committee) in its report made several recommendations pertaining to Banking Ombudsman Scheme. The recommendation regarding appointment of Internal Ombudsman was the most important recommendation pertaining to the Scheme.

## **Background**

The Reserve Bank introduced the Banking Ombudsman Scheme (BOS) in India on June 14, 1995 to provide an expeditious and inexpensive forum to bank customers for resolution of their complaints relating to deficiency in banking services provided by commercial banks, regional rural banks and scheduled primary co-operative banks. Feedback gathered in the course of administering the BOS has been used by the Reserve Bank to modify the Scheme four times in 2002, 2006, 2007 and 2009. The Scheme now includes, among other things, customer complaints on new areas such as, credit card complaints, internet banking, deficiencies in providing promised services by both banks and their direct sales agents (DSAs), levying service charges without prior notice to customers and non-adherence to fair practices code adopted by individual banks. From a total of 11, when the BO Scheme was introduced in 1995, today, BO Scheme provides for 27 grounds of complaints / deficiencies in bank services. The Reserve Bank operates the BOS, free of cost, so as to make it accessible to all. In order to increase its effectiveness and utility, BOS is today fully staffed and funded by the Reserve Bank.