



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

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## **RBI seeks Public Comments on Report on Customer Service of Banks**

The Reserve Bank of India today placed on its website, the [Report of the Committee on Customer Service in Banks](#) and sought comments/feedback from members of the public/all the stakeholders on the Committee's recommendations. The comments/feedback may, latest by August 27, 2011, be [emailed](#) or may be sent by post/courier to the Chief General Manager, Customer Service Department, Reserve Bank of India, Central Office, Amar Building, First Floor, Sir P.M. Road, Mumbai-400001 or faxed to 91-22-22630482 / 22631744.

Major recommendations of the Committee are:

- Creation of a toll free common bank call number
- Providing plain vanilla savings account without prescription of minimum balance
- Setting up of third party Know Your Customer (KYC) data bank
- Prescription of service charges for basic services
- Providing small remittances at reasonable price
- Providing floating rate housing loans on a non-discriminatory basis
- Compensation for delayed return / loss of title deeds in the custody of banks
- Zero liability against loss in ATM and online transactions
- Enhancement of DICGC cover up to ₹5,00,000
- Prepaid instruments up to ₹50,000/- for frequent travellers
- Differential merchant discount / fee for debit cards
- Self-personalisation of cards enabling customer to fix limits / area of operation / activation for international use
- Instant blocking of ATM card through SMS -BLOCK for lost / misused cards
- Transition to chip based card (EMV) with photograph
- Chief customer service officer (CCSO) for grievance redressal in every bank
- Submission of life certificate for pensioners in any Core Banking Solution (CBS) branch
- Automatic updation of senior citizen status in CBS
- Financial inclusion through branch expansions in the North -East
- Moving towards paperless fund transfers
- Ensure fulfillment of the tenets of customer service through inspections

## **Background**

The Reserve Bank of India had constituted a Committee under the chairmanship of Shri M. Damodaran, former Chairman, Securities and Exchange Board of India, to look into banking services rendered to retail and small customers, including pensioners. The Committee was also required to look into -

- the system of grievance redressal mechanism prevalent in banks, its structure and efficacy and suggest measures for expeditious resolution of complaints,
- functioning of Banking Ombudsman Scheme, its structure, legal framework and recommend steps to make it more effective and responsive,
- possible methods of leveraging technology for better customer service with proper safeguards, including legal aspects in the light of increasing use of Internet and information technology for bank products and services and to recommend measures to enhance consumer protection, and
- the role of the Board of Directors of banks and the role of regulators in customer service matters.

The Committee interacted with various stakeholders across the country on all aspects of customer service - fair treatment, improvement in the service to pensioners, attitude of the bank staff towards the small and rural customers, service charges and fees, loans, transparency in operations, grievance redressal, promptness in service, education and information on new products, services, customer rights, expectations etc. It had called for suggestions from members of public. In response to the Committee's appeal more than 1000 suggestions were received from public through e-mail, fax and post. Based on the interactions and suggestions received, the Committee submitted its report to the Reserve Bank on July 04, 2011.

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**Alpana Killawala**  
Chief General Manager