



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

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## Reserve Bank of India releases Annual Report of Ombudsman Schemes

The Reserve Bank of India (RBI) released the [Annual Report](#) of the “Ombudsman Schemes of RBI for the year 2018-19” today.

### A. Banking Ombudsman Scheme

The Banking Ombudsman Scheme (BOS) was notified by RBI in 1995 under Section 35A of the Banking Regulation Act, 1949. During 2018-19 the BOS was administered by RBI through 21 Offices of Banking Ombudsman (OBOs) covering all states and union territories. An analysis of complaints handled by Banking Ombudsmen (BOs) during 2018-19 is as follows:

- i) The complaints received at OBOs rose by 32,311 taking the total to 1,95,901 complaints in 2018-19 over the previous year (1,63,590), recording a year on year increase of 19.75 per cent. Of these, 72.19 per cent were received electronically that is, through the online portal and by emails as against 63.61 per cent in the previous year;
- ii) The disposal rate for 2018-19 was 94.03 per cent as against 96.46 per cent in 2017-18. The reduction in disposal rate is largely due to rise in volume of complaints with resource remaining the same;
- iii) Non-observance of fair practices code accounted for maximum number of complaints. However, its percentage share came down from 22.10 per cent in 2017-18 to 19.17 per cent in 2018-19. Complaints on ATM and debit card issues increased from 15.08 per cent in 2017-18 to 18.65 per cent in 2018-19;
- iv) Complaints received on grounds relating to pension, levy of charges without notice, credit card related issues and remittance have declined in 2018-19 vis-à-vis 2017-18. The number of complaints pertaining to ‘mis-selling’ have gone up from 579 complaints in 2017-18 to 1,115 in 2018-19, an increase of 92.57 per cent;
- v) The number of complaints resolved by agreement i.e., through intervention of OBOs, mediation and conciliation, etc. rose from 65.82 per cent during 2017-18 to 70.40 per cent in 2018-19;
- vi) The number of Awards and Appeals issued by Banking Ombudsmen in 2018-19 stood at 98 and 78, respectively, as compared to 133 and 125, respectively, in 2017-18;
- vii) The average cost of handling a complaint came down from ₹3,504/- in 2017-18 to ₹3,145/- in 2018-19.

## **B. Ombudsman Scheme for Non-Banking Financial Companies (NBFC-O Scheme)**

The NBFC-O Scheme was notified by RBI under Section 45L of the RBI Act, 1934 on February 23, 2018. The Scheme is administered from offices of the NBFC-Os in four metro centers viz, Chennai, Kolkata, Mumbai and New Delhi for handling complaints from the respective zones, so as to cover the entire country. Major highlights of the complaints received by NBFC-Os are as follows:

- i) The number of complaints received at NBFC-Os rose from 675 in four months operation during 2017-18 to 3,991 in 2018-19;
- ii) Non-adherence to fair practices code constituted 40.44 per cent of complaints received, followed by non-observance of RBI directions (17.21 per cent), levy of charges without notice (12.63 per cent) and lack of transparency in contract / loan agreement (9.17 per cent);
- iii) The disposal rate of NBFC-Os stood at 95.41 per cent in 2017-18 and 99.10 per cent in 2018-19;
- iv) One appeal has been received against the decision of NBFC-O during 2018-19, as compared to nil in the previous year.

## **C. Important developments during the Year 2018-19**

- i) Ombudsman Scheme for Digital Transactions was introduced on [January 31, 2019](#). It is administered by the 22 OBOs;
- ii) The NBFC-O Scheme was extended with effect from April 26, 2019 to cover the regulated non-deposit taking NBFCs having asset size of ₹100.00 crore and above;
- iii) RBI instructions on appointment of Internal Ombudsmen (IOs) was reviewed and IO Scheme, 2018 was introduced with effect from September 3, 2018. The IO mechanism is now applicable to all Scheduled Commercial Banks (excluding Regional Rural Banks) having more than 10 outlets in India;
- iv) A third office of the Ombudsman at RBI, New Delhi was set up with effect from July 1, 2019 with a view to meet the growing demand for resolution of complaints;
- v) A state-of-art and user-friendly web-based online Application named Complaint Management System was launched for filing complaints, which also allows the customers to track their complaints;
- vi) Education and awareness campaigns were undertaken through print and electronic media for the benefit of customers / members of public at large;

## **D. Way forward for strengthening consumer protection**

During the year 2019-20, RBI would conduct a review of IO Scheme, 2018 for extension to NBFCs; review of Consumer Education and Protection Cells (CEPCs) for empowering them on the lines of OBOs; review of the Ombudsman Schemes for updation and effective implementation including through convergence; formulation of policy to strengthen the system based on Root Cause Analysis of major areas of complaint; introduce Interactive Voice Response System (IVRS) in CMS for online support to the customers.

Awareness generation about the grievance redressal mechanisms of RBI and the Ombudsman Schemes as also campaigns on safe digital banking and the regulatory stipulations on customer protection would be continued.

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