



भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

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Reserve Bank of India imposes monetary penalty on Jammu and Kashmir Bank Limited

The Reserve Bank of India (RBI) has, by an order dated December 01, 2025, imposed a monetary penalty of ₹99.30 lakh (Rupees Ninety nine lakh thirty thousand only) on Jammu and Kashmir Bank Limited (the bank) for contravention of the provisions of section 26A of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by RBI on 'Internal Ombudsman Scheme 2018', 'Customer Service in Banks', and '[Know Your Customer \(KYC\) Directions](#)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47 A(1)(c) read with Section 46(4)(i) of the BR Act.

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with the provisions of BR Act, RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for contravention of the provisions of BR Act and non-compliance with the said RBI directions.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i. The bank did not escalate certain complaints that were partly / wholly rejected by its internal grievance mechanism to the Internal Ombudsman for a final decision;
- ii. The bank did not send final letters to its customers regarding redressal of their complaints and thereby failed to ensure that customers were made aware of their rights to approach Banking Ombudsman in case they were not satisfied with the bank's response;
- iii. The bank did not transfer eligible amount in certain accounts to Depositor Education and Awareness (DEA) Fund within the stipulated period; and
- iv. The bank did not have a face matching technology in Video-based Customer Identification Process (V-CIP) and also failed to confirm the economic and financial profile/information submitted by the customer during the V-CIP.

This action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.