

## **BANKING OMBUDSMAN SCHEME - 2006**

### **A. INTRODUCTION:**

1. What does the Banking Ombudsman Scheme, 2006 offer?  
The Banking Ombudsman Scheme, 2006 enables resolution of complaints of bank customers relating to certain services rendered by banks.
2. Has the Banking Ombudsman Scheme come into effect?  
The Scheme has come into force from January 1, 2006.
3. Who is a Banking Ombudsman?  
The Banking Ombudsman is person appointed by the Reserve Bank of India to redress customer complaints against certain deficiency in banking services.
4. Does the Banking Ombudsman have any legal power?  
*The Banking Ombudsman is a quasi judicial authority.* It has power to summon both the parties - bank and its customer, to facilitate resolution of complaint through mediation.
5. How many Banking Ombudsmen have been appointed and where are they located?  
As on date, 15 Banking Ombudsmen have been appointed with their offices located mostly in the State Capitals. The addresses of the Banking Ombudsman offices have been provided in the RBI website.
6. Which banks are covered under the Banking Ombudsman Scheme, 2006?  
All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.
7. How is the new Banking Ombudsman Scheme, 2006 different from the Old Banking Ombudsman Scheme, 2002?

The extent and scope of the new Scheme is wider than the earlier Scheme of 2002. The new Scheme also provides for online submission of complaints. The new Scheme additionally provides for the institution of an 'appellate authority' for providing scope for appeal against an award passed by the Ombudsman both by the bank as well as the complainant.

## **B. TYPES OF COMPLAINTS BEFORE BANKING OMBUDSMAN**

8. What sort of disputes can the Banking Ombudsman consider?

The Banking Ombudsman can receive and consider any complaint relating to the following deficiency in banking services: non-payment or inordinate delay in the payment or collection of cheques, drafts, bills, etc.; non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission for this service; non-acceptance, without sufficient cause, of coins tendered and for charging of commission for this service; non-payment or delay in payment of inward remittances ; failure to issue or delay in issue, of drafts, pay orders or bankers' cheques; non-adherence to prescribed working hours; failure to honour guarantee or letter of credit commitments ; failure to provide or delay in providing a banking facility (other than loans and advances) promised in writing by a bank or its direct selling agents; delays, non-credit of proceeds to parties' accounts, non-payment of deposit or non-observance of the Reserve Bank directives, if any, applicable to rate of interest on deposits in any savings, current or other account maintained with a bank ; delays in receipt of export proceeds, handling of export bills, collection of bills etc., for exporters provided the said complaints pertain to the bank's operations in India; refusal to open deposit accounts without any valid reason for refusal; levying of charges without adequate prior notice to the customer; non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on ATM/debit card operations or credit card operations; non-disbursement or delay in disbursement of pension to the extent the grievance can be attributed to the action on the part of the bank concerned, (but not with regard to its employees); refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government; refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities; forced closure of deposit accounts without due notice or without sufficient reason; refusal to close or delay in closing the accounts; non-adherence to the fair practices code as adopted by the bank; and any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.

9. Will the Banking Ombudsman consider complaints of Non-Resident Indians?

Yes, the Banking Ombudsman will consider complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank-related matters.

### **C. APPLYING TO BANKING OMBUDSMAN**

10. When can the complainant file his complaint?  
He can file his complaint before the Banking Ombudsman if the reply is not received from the bank within a period of one month, after the bank concerned has received his representation, or the bank rejects the complaint, or the complainant is not satisfied with the reply given to him by the bank.
11. Does the complainant have to fulfill any conditions before complaining to the Banking Ombudsman?  
For filing a complaint before the Banking Ombudsman, it is essential for a complainant to first attempt to find a satisfactory solution directly with his bank by making a written representation to the bank named in the complaint. The complaint should, however, be made before expiry of period of one year after the cause of action has arisen.
12. Can a complaint be made before a Banking Ombudsman on the same subject matter settled through previous proceedings before any of the Banking Ombudsmen?  
No. The complaint should not be for the same subject matter that was settled through the office of the Banking Ombudsman in any previous proceedings.
13. Can a complaint be made before a Banking Ombudsman on the same subject matter for which any proceedings before any court, tribunal or arbitrator or any other forum is pending or a decree or award or a final order, has already been passed by any such competent court, tribunal, arbitrator or forum?  
No.
14. Is there any procedure for filing the complaint before the Banking Ombudsman?  
A complainant can file a complaint with the Banking Ombudsman simply by writing on a plain paper. He can also file it online at [www.bankingombudsman.rbi.org.in](http://www.bankingombudsman.rbi.org.in) or by sending an email to the Banking Ombudsman. There is also a prescribed form for filing a complaint, which is available with all the branches of the banks. However, it is not necessary to use this format. The complainant should, however, incorporate all the required information.
15. Can a complaint be filed by an authorized representative of the complainant?  
Yes. The complaint can be filed by an authorized representative (other than an advocate) of the complainant.
16. Is there any cost involved in filing complaints with Banking Ombudsman?  
No. The Banking Ombudsman does not charge any fee for resolving customers' complaints.
17. What details are required in the application?  
The complaint should have the name and address of the complainant, the name and address of the branch or office of the bank against which the complaint is made, facts giving rise to the complaint supported by documents, if any, the nature and extent of the loss caused to the complainant, the relief sought from the Banking Ombudsman and a declaration about the compliance of conditions which are required to be complied with by the complainant.

## **D. PROCEEDINGS BEFORE THE BANKING OMBUDSMAN**

18. What happens when a complaint is received by the Banking Ombudsman?  
The Banking Ombudsman endeavours to promote, through conciliation or mediation, a settlement of the complaint by agreement between the complainant and the bank named in the complaint.
19. What happens if the bank makes an offer to settle?  
If the terms of settlement (offered by the bank) are acceptable to the complainant in full and final settlement of his complaint, the Banking Ombudsman will pass an order as per the terms of settlement which becomes binding on the bank and the complainant.
20. What happens if the complaint is not settled by agreement?  
If a complaint is not settled by an agreement within a period of one month, the Banking Ombudsman proceeds further to pass an award. Before passing an award, the Banking Ombudsman provides reasonable opportunity to the complainant and the bank, to present their case.
21. What will the Banking Ombudsman consider for passing an award?  
For passing an award, the Banking Ombudsman is guided by the documentary evidence placed before him by the parties, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank of India and such other factors, which in his opinion are necessary in the interest of justice.

## **E. AWARD GIVEN BY BANKING OMBUDSMAN**

22. What happens when the Banking Ombudsman passes an award?  
After an award is passed, its copy is sent to the complainant and the bank named in the complaint. It is open to the complainant to accept the award in full and final settlement of his complaint or to reject it.
23. What is to be done by the complainant if the award is acceptable to him?  
If the award is acceptable to the complainant, he is required to send to the bank concerned, a letter of acceptance of the award in full and final settlement of his complaint, within a period of 15 days from the date of receipt of the copy of the award by him.
24. Can a complainant seek extension of time for sending his letter of acceptance of the award?  
Yes, a complainant can make a written request to the Banking Ombudsman, for extension of time with the reasons for seeking such extension.
25. What does Banking Ombudsman do on receipt of request from a complainant for seeking extension of time for sending his letter of acceptance of the award?  
If the Banking Ombudsman is satisfied with the reasons stated by the complainant in his letter of request for extension of time (for sending his letter of acceptance of the award), he may grant extension of time up to further period of 15 days for such compliance.

26. What happens if the complainant sends a letter of acceptance of the award in full and final settlement of his claim?

If the bank is satisfied with the award, within a period of one month (from the date of receipt of letter of acceptance from the complainant of the award in full and final settlement of his claim in the matter), the bank is required to comply with the award and intimate the compliance to the Banking Ombudsman.

27. Is there any further recourse available to the complainant, if he rejects the Banking Ombudsman's award?

If the complainant is not satisfied with the award passed by the Banking Ombudsman, he can approach the appellate authority against the Banking Ombudsmen's decision.

28. Does the rejection of an award by the complainant also bar any recourse and remedy available to him in respect of his grievances, before court, forum or any other authority as per law in force?

The rejection of an award by the complainant does not affect any other recourse and/or remedies available to him as per the law.

29. What if the Award is not acceptable to the bank?

The bank has the option to file an appeal before the appellate authority under the scheme.

## **F. APPEAL AGAINST THE AWARD**

30. Who is the appellate authority?

The appellate authority is the Deputy Governor in the Reserve Bank of India.

31. Is there any time limit for filing an appeal?

Either party aggrieved by the award may, within 30 days of the date of receipt of the award, appeal against the award before the appellate authority. The appellate authority may, if he is satisfied that the applicant had sufficient cause for not making an application for appeal within time, also allow a further period not exceeding 30 days.

The banks can appeal only with the prior sanction of their Chairman or, in his absence, the Managing Director or the Executive Director or the Chief Executive Officer or any other officer of equal rank.

32. How does the appellate authority deal with the appeal?

The appellate authority may

- i. dismiss the appeal; or
- ii. allow the appeal and set aside the award; or
- iii. send the matter to the Banking Ombudsman for fresh disposal in accordance with such directions as the appellate authority may consider necessary or proper; or
- iv. modify the award and pass such directions as may be necessary to give effect to the modified award; or
- v. pass any other order as it may deem fit.

## G. OTHERS

33. Is it open to the Banking Ombudsman to reject a complaint at any stage?  
Yes. The Banking Ombudsman may reject a complaint at any stage if it appears to him that a complaint made to him is:
- i. frivolous, vexatious, malafide or without any sufficient cause or
  - ii. that it is not pursued by the complainant with reasonable diligence or
  - iii. in the opinion of Banking Ombudsman there is no loss or damage or inconvenience caused to the complainant or
  - iv. beyond the pecuniary jurisdiction of Banking Ombudsman or
  - v. in the opinion of the Banking Ombudsman the complicated nature of the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before him are not appropriate for adjudication of such complaint.
34. By which scheme the pending complaints filed (before coming into operation of the New Scheme of 2006) would be governed?  
The adjudication of pending complaints and execution of the awards (already passed before coming into operation of the Banking Ombudsman Scheme 2006), will continue to be governed by the provisions of the earlier Banking Ombudsman Schemes, 1995 and 2002.
35. What is the role of the Reserve Bank in relation to the scheme?  
The Banking Ombudsman Scheme has been formulated by the Reserve Bank of India to provide an expeditious grievance redressal mechanism to customers of banks. It provides for an institutional and legal framework for resolution of complaints relating to banking services and other matters as specified under the Scheme. The Scheme has been brought into force by way of direction issued by the Reserve Bank in terms of Section 35A of the Banking Regulation Act, 1949. The Reserve Bank will also appoint its serving senior officials as the Banking Ombudsman and will also fully fund it for better effectiveness.
36. When was the Banking Ombudsman Scheme introduced?  
The Banking Ombudsman Scheme was first introduced in 1995 and was revised in 2002. Over the past five years, around 36,000 complaints have been dealt by the Banking Ombudsmen.

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### Address and Area of Operation of Banking Ombudsman

Centre	Contact details of the Office of Banking Ombudsman	Area of Operation
Ahmedabad	Shri Arnab Roy C/o Reserve Bank of India La Gajjar Chambers, Ashram Road, Ahmedabad-380 009 Tel.No.079- 26582357, 079-26586718 Fax No.079-26583325 email: <a href="mailto:bogujarat@rbi.org.in">bogujarat@rbi.org.in</a>	Gujarat, Union Territories of Dadra and Nagar Haveli, Daman and Diu
Bangalore	Shri. K.R.Ananda C/o Reserve Bank of India 10/3/8, Nrupathunga Road Bangalore-560 001 Tel.No.080-22210771, 080-22275629 Fax No.080-22244047 email: <a href="mailto:bobangalore@rbi.org.in">bobangalore@rbi.org.in</a>	Karnataka
Bhopal	Shri B.P.Kanungo C/o Reserve Bank of India Hoshangabad Road, Post Box No.32, Bhopal-462 011 Tel.No.0755-2573772, 0755-2573776 Fax No.0755-2573779 email: <a href="mailto:bobhopal@rbi.org.in">bobhopal@rbi.org.in</a>	Madhya Pradesh and Chattisgarh
Bhubaneswar	Shri P.K.Jena C/o Reserve Bank of India Pt. Jawaharlal Nehru Marg Bhubaneswar-751 001 Tel.No.0674-2396207, 0674-2396008 Fax No.0674-2393906 email: <a href="mailto:bobhubaneswar@rbi.org.in">bobhubaneswar@rbi.org.in</a>	Orissa
Chandigarh	Smt. Balbir Kaur C/o Reserve Bank of India New Office Building Sector-17, Central Vista Chandigarh-160 017 Tel.No.0172-2721109, 0172-2721011 Fax No.0172-2721880 email: <a href="mailto:bochandigarh@rbi.org.in">bochandigarh@rbi.org.in</a>	Himachal Pradesh, Punjab and Union Territory of Chandigarh
Chennai	Smt Harmesh Khanna C/o Reserve Bank of India, Fort Glacis, Chennai 600 001 Tel No.044-25399170, 044-25395964 Fax No.044-25395488 email: <a href="mailto:bochennai@rbi.org.in">bochennai@rbi.org.in</a>	Tamil Nadu, Union Territories of Pondicherry and Andaman and Nicobar Islands
Guwahati	Shri K.R.Das C/o Reserve Bank of India	Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram,

	Station Road, Pan Bazar Guwahati-781 001 Tel.No.0361-2542556, 0361-2540445 Fax No.0361-2540445 email: <a href="mailto:boguwahati@rbi.org.in">boguwahati@rbi.org.in</a>	Nagaland and Tripura
Hyderabad	Shri.M.Sebastian C/o Reserve Bank of India 6-1-56, Secretariat Road Saifabad, Hyderabad-500 004 Tel.No.040-23210013, 040-23243970 Fax No.040-23210014 email: <a href="mailto:bohyderabad@rbi.org.in">bohyderabad@rbi.org.in</a>	Andhra Pradesh
Jaipur	Shri P Vijaykumar C/o Reserve Bank of India, Ram Bagh Circle, Tonk Road, Post Box No.12, Jaipur-302 004 Tel.No.0141-2570357/0141-2570392 Fax No.0141-2562220 email: <a href="mailto:bojaipur@rbi.org.in">bojaipur@rbi.org.in</a>	Rajasthan
Kanpur	Shri B.K.Bhoi C/o Reserve Bank of India M.G. Road, Post Box No.82 Kanpur-208 001 Tel.No.0512-2361191/0512-2310593 Fax No.0512-2362553 email: <a href="mailto:bokanpur@rbi.org.in">bokanpur@rbi.org.in</a>	Uttar Pradesh (excluding District of Ghaziabad) and Uttaranchal
Kolkata	Shri C.V.George C/o Reserve Bank of India 15, Nethaji Subhas Road Kolkata-700 001 Tel.No.033-22306222/033-22305580 Fax No.033-22305899 email: <a href="mailto:bokolkata@rbi.org.in">bokolkata@rbi.org.in</a>	West Bengal and Sikkim
Mumbai	Smt. Rashmi Fauzdar C/o Reserve Bank of India Garment House, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai-400 018 Tel.No.022-24924607/022-24960893 Fax No.022-24960912 email: <a href="mailto:bomumbai@rbi.org.in">bomumbai@rbi.org.in</a>	Maharashtra and Goa
New Delhi	Shri H Kulshreshtha Banking Ombudsman Reserve Bank of India Building 2nd Floor, 6, Sansad marg New Delhi - 110001 Tel No. 011-23725219/23710882/23725445 Fax No. 011-23725218 email: <a href="mailto:bonewdelhi@rbi.org.in">bonewdelhi@rbi.org.in</a>	Delhi, Haryana, Jammu and Kashmir and Ghaziabad district of Uttar Pradesh



Patna	C/o Reserve Bank of India, South Gandhi Maidan, Patna-800 001 Tel.No.0612-2322569/2323734 Fax No.0612-2320407 email: <a href="mailto:bopatna@rbi.org.in">bopatna@rbi.org.in</a>	Bihar and Jharkhand
Trivandrum	Smt. Suma Varma C/o Reserve Bank of India Bakery Junction Thiruvananthapuram-695 033 Tel.No.0471-2332723/0471-2329676 Fax No.0471-2321625 email: <a href="mailto:bothiruvananthapuram@rbi.org.in">bothiruvananthapuram@rbi.org.in</a>	Kerala and Union Territory of Lakshadweep