

# **SILENT FEATURES OF BANKING OMBUDSMAN SCHEME, 2006**

## **PROCEDURE FOR REDRESSAL OF GRIEVANCE**

### **GROUND OF COMPLAINT**

(1) Any person may file a complaint with the Banking Ombudsman having jurisdiction on any one of the following grounds alleging deficiency in banking including internet banking or other services.

- (a) non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
- (b) non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
- (c) non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
- (d) non-payment or delay in payment of inward remittances ;
- (e) failure to issue or delay in issue of drafts, pay orders or bankers' cheques;
- (f) non-adherence to prescribed working hours ;
- (g) 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;
- (h) 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 ;
- (i) Complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank-related matters;
- (j) refusal to open deposit accounts without any valid reason for refusal;

- (k) levying of charges without adequate prior notice to the customer;
- (l) non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on ATM/Debit card operations or credit card operations;
- (m) 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);
- (n) refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government;
- (o) refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities;
- (p) forced closure of deposit accounts without due notice or without sufficient reason;
- (q) refusal to close or delay in closing the accounts;
- (r) non-adherence to the fair practices code as adopted by the bank;
- (s) non-adherence to the provisions of the Code of Bank's Commitments to Customers issued by Banking Codes and Standards Board of India and as adopted by the bank ;
- (t) non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
- (u) any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.

A complaint on any one of the following grounds alleging deficiency in banking service in respect of loans and advances may be filed with the Banking Ombudsman having jurisdiction:

- (a) non-observance of Reserve Bank Directives on interest rates;
- (b) delays in sanction, disbursement or non-observance of prescribed time schedule for disposal of loan applications;
- (c) non-acceptance of application for loans without furnishing valid reasons to the applicant; and
- (d) non-adherence to the provisions of the fair practices code for lenders as adopted by the bank or Code of Bank's Commitment to Customers, as the case may be;
- (e) non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
- (f) Non-observance of any other direction or instruction of the Reserve Bank as may be specified by the Reserve Bank for this purpose from time to time.

The Banking Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time in this behalf.

## **(2) PROCEDURE FOR FILING COMPLAINT**

(1) Any person who has a grievance against a bank on any one or more of the grounds mentioned in Clause 8 of the Scheme may, himself or through his authorised representative (other than an advocate), make a complaint to the Banking Ombudsman within whose jurisdiction the branch or office of the bank complained against is located.

Provided that a complaint arising out of the operations of credit cards and other types of services with centralized operations, shall be filed before the Banking

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Ombudsman within whose territorial jurisdiction the billing address of the customer is located.

(2) (a) The complaint in writing shall be duly signed by the complainant or his authorized representative and shall be, as far as possible, in the form specified in Annexure 'A' or as near as thereto as circumstances admit, stating clearly:

- (i) the name and the address of the complainant,
- (ii) the name and address of the branch or office of the bank against which the complaint is made,
- (iii) the facts giving rise to the complaint,
- (iv) the nature and extent of the loss caused to the complainant, and
- (v) The relief sought for.

(b) The complainant shall file along with the complaint, copies of the documents, if any, which he proposes to rely upon and a declaration that the complaint is maintainable under sub-clause (3) of this clause.

(c) A complaint made through electronic means shall also be accepted by the Banking Ombudsman and a print out of such complaint shall be taken on the record of the Banking Ombudsman.

(d) The Banking Ombudsman shall also entertain complaints covered by this Scheme received by Central Government or Reserve Bank and forwarded to him for disposal.

(3) No complaint to the Banking Ombudsman shall lie unless:-

(a) the complainant had, before making a complaint to the Banking Ombudsman, made a written representation to the bank and the bank had rejected the complaint or the complainant had not received any reply within a period of one month after the bank received his representation or the complainant is not satisfied with the reply given to him by the bank;

(b) the complaint is made not later than one year after the complainant has received the reply of the bank to his representation or, where no reply is received, not later than one year and one month after the date of the representation to the bank;

(c) the complaint is not in respect of the same cause of action which was settled or dealt with on merits by the Banking Ombudsman in any previous proceedings whether or not received from the same complainant or along with one or more complainants or one or more of the parties concerned with the cause of action ;

(d) the complaint does not pertain to the same cause of action, for which any proceedings before any court, tribunal or arbitrator or any other forum is pending or a decree or Award or order has been passed by any such court, tribunal, arbitrator or forum;

(e) the complaint is not frivolous or vexatious in nature; and

(f) the complaint is made before the expiry of the period of limitation prescribed under the Indian Limitation Act, 1963 for such claims.

### **(3) POWER TO CALL FOR INFORMATION**

(1) For the purpose of carrying out his duties under this Scheme, a Banking Ombudsman may require the bank against whom the complaint is made or any other bank concerned with the complaint to provide any information or furnish certified copies of any document relating to the complaint which is or is alleged to be in its possession.

Provided that in the event of the failure of a bank to comply with the requisition without sufficient cause, the Banking Ombudsman may, if he deems fit, draw

The inference that the information if provided or copies if furnished would be unfavorable to the bank.

(2) The Banking Ombudsman shall maintain confidentiality of any information or document that may come into his knowledge or possession in the course of discharging his duties and shall not disclose such information or document to any person except with the consent of the person furnishing such information or document.

Provided that nothing in this clause shall prevent the Banking Ombudsman from disclosing information or document furnished by a party in a complaint to the other party or parties to the extent considered by him to be reasonably required to comply with any legal requirement or the principles of natural justice and fair play in the proceedings.

#### **(4) SETTLEMENT OF COMPLAINT BY AGREEMENT**

(1) As soon as it may be practicable to do, the Banking Ombudsman shall send a copy of the complaint to the branch or office of the bank named in the complaint, under advice to the nodal officer referred to in sub-clause (3) of clause 15, and endeavor to promote a settlement of the complaint by agreement between the complainant and the bank through conciliation or mediation.

(2) For the purpose of promoting a settlement of the complaint, the Banking Ombudsman may follow such procedure as he may consider just and proper and he shall not be bound by any rules of evidence.

(3) The proceedings before the Banking Ombudsman shall be summary in nature.

#### **(5) AWARD BY THE BANKING OMBUDSMAN**

(1) If a complaint is not settled by agreement within a period of one month from the date of receipt of the complaint or such further period as the Banking Ombudsman may allow the parties, he may, after affording the parties a reasonable opportunity to present their case, pass an Award or reject the complaint.

(2) The Banking Ombudsman shall take into account the evidence placed before him by the parties, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors which in his opinion are relevant to the complaint.

(3) The award shall state briefly the reasons for passing the award.

(4)<sup>6</sup>The Award passed under sub-clause (1) shall contain the direction/s, if any, to the bank for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the bank to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the bank.

(5) Notwithstanding anything contained in sub-clause (4), the Banking Ombudsman shall not have the power to pass an award directing payment of an amount which is more than the actual loss suffered by the complainant as a direct consequence of the act of omission or commission of the bank, or ten lakh rupees whichever is lower.

(6) In the case of complaints, arising out of credit card operations, the Banking Ombudsman may also award compensation not exceeding Rs 1 lakh to the complainant, taking into account the loss of the complainant's time, expenses incurred by the complainant, harassment and mental anguish suffered by the complainant.

(7) A copy of the Award shall be sent to the complainant and the bank.

(8) An award shall lapse and be of no effect unless the complainant furnishes to the bank concerned within a period of 30 days from the date of receipt of copy of the Award, a letter of acceptance of the Award in full and final settlement of his claim.

Provided that no such acceptance may be furnished by the complainant if he has filed an appeal under sub. clause (1) of clause 14.

(9) The bank shall, unless it has preferred an appeal under sub. Clause (1) of Clause 14, within one month from the date of receipt by it of the acceptance in writing of the Award by the complainant under sub-clause (8), comply with the Award and intimate compliance to the Banking Ombudsman.

#### **(6) REJECTION OF THE COMPLAINT**

The Banking Ombudsman may reject a complaint at any stage if it appears to him that the complaint made is;

- (a) not on the grounds of complaint referred to in clause 8 or otherwise not in accordance with sub clause (3) of clause 9; or
- (b) beyond the pecuniary jurisdiction of Banking Ombudsman prescribed under clause 12 (5) and 12 (6) or

- (c) requiring consideration of elaborate documentary and oral evidence and the proceedings before the Banking Ombudsman are not appropriate for adjudication of such complaint; or
- (d) without any sufficient cause; or
- (e) that it is not pursued by the complainant with reasonable diligence; or
- (f) in the opinion of the Banking Ombudsman there is no loss or damage or inconvenience caused to the complainant.

**(7) APPEAL BEFORE THE APPELLATE AUTHORITY:**

(1) Any person aggrieved by an Award under clause 12 or rejection of a complaint for the reasons referred to in sub clauses (d) to (f) of clause 13, may within 30 days of the date of receipt of communication of Award or rejection of complaint, prefer an appeal before the Appellate Authority;

Provided that in case of appeal by a bank, the period of thirty days for filing an appeal shall commence from the date on which the bank receives letter of acceptance of Award by complainant under sub. clause (6) of clause 12;

Provided that the Appellate Authority may, if he is satisfied that the applicant had sufficient cause for not making the appeal within time, allow a further period not exceeding 30 days;

Provided further that appeal may be filed by a bank only with the previous sanction of the Chairman or, in his absence, the Managing Director or the Executive Director or the Chief Executive Officer or any other officer of equal rank.”

(2) The Appellate Authority shall, after giving the parties a reasonable opportunity of being heard

- (a) dismiss the appeal; or
- (b) allow the appeal and set aside the Award; or
- (c) remand the matter to the Banking Ombudsman for fresh disposal in accordance with such directions as the Appellate Authority may consider necessary or proper; or

(d) modify the Award and pass such directions as may be necessary to give effect to the Award so modified; or

(e) Pass any other order as it may deem fit.

3) The order of the Appellate Authority shall have the same effect as the Award passed by Banking Ombudsman under clause 12 or the order rejecting the complaint under clause 13, as the case may be.



## Address and Area of Operation of Banking Ombudsmen

Centre	Address of the Office of Banking Ombudsman	Area of Operation <sup>16</sup>
Ahmedabad	C/o Reserve Bank of India La Gajjar Chambers, Ashram Road, Ahmedabad- 380 009  Tel.No.26582357/26586718 Fax No.079-26583325	Gujarat, Union Territories of Dadra and Nagar Haveli, Daman and Diu
Bangalore	C/o Reserve Bank of India 10/3/8, Nrupathunga Road Bangalore-560 001  Tel.No.22210771/22275629 Fax No.080-22244047	Karnataka
Bhopal	C/o Reserve Bank of India Hoshangabad Road, Post Box No.32, Bhopal-462 011 Tel.No.2573772/2573776 Fax No.0755-2573779	Madhya Pradesh and Chattisgarh
Bhubaneswar	C/o Reserve Bank of India Pt. Jawaharlal Nehru Marg Bhubaneswar-751 001 Tel.No.2396207/2396008 Fax No.0674-2393906	Orissa
Chandigarh	C/o Reserve Bank of India New Office Building Sector- 17, Central Vista Chandigarh-160 017	Himachal Pradesh, Punjab, Union Territory of Chandigarh and Panchkula, Yamuna Nagar and Ambala Districts of Haryana.
	Tel.No.2721109/2721011 Fax No.0172-2721880	

Chennai	<p>C/o Reserve Bank of India Fort Glacis, Chennai 600 001</p> <p>Tel No.25399170/25395963/ 25399159 Fax No.044-25395488</p>	Tamil Nadu, Union Territories of Puducherry (except Mahe Region) and Andaman and Nicobar Islands
Guwahati	<p>C/o Reserve Bank of India Station Road, Pan Bazar Guwahati- 781 001</p> <p>Tel.No.2542556/2540445 Fax No.0361-2540445</p>	Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura
Hyderabad	<p>C/o Reserve Bank of India 6-1-56, Secretariat Road Saifabad, Hyderabad-500 004</p> <p>Tel.No.23210013/23243970 Fax No.040-23210014</p>	Andhra Pradesh
Jaipur	<p>C/o Reserve Bank of India, Ram Bagh Circle, Tonk Road, Post Box No.12, Jaipur-302 004</p> <p>Tel.No.2570357/2570392 Fax No.0141-2562220</p>	Rajasthan
Kanpur	<p>C/o Reserve Bank of India M.G. Road, Post Box No.82 Kanpur-208 001</p> <p>Tel.No.2306278/2303004 Fax No.0512-2305938</p>	Uttar Pradesh (excluding Districts of Ghaziabad and Gautam Budh Nagar) and Uttaranchal

Kolkata	C/o Reserve Bank of India 15, Nethaji Subhas Road Kolkata-700 001  Tel.No.22306222/22305580 Fax No.033-22305899	West Bengal and Sikkim
Mumbai	C/o Reserve Bank of India Garment House, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai-400 018  Tel.No.24924607/24960893 Fax No.022-24960912	Maharashtra and Goa
New Delhi	C/o Reserve Bank of India, Sansad Marg, New Delhi  Tel.No.23725445/23710882 Fax No.011-23725218	Delhi, Jammu and Kashmir and Ghaziabad and Gautam Budh Nagar districts of Uttar Pradesh  Haryana (except Panchkula, Yamuna Nagar and Ambala Districts)
Patna	C/o Reserve Bank of India, Patna-800 001  Tel.No.2322569/2323734 Fax No.0612-2320407	Bihar and Jharkhand
Thiruvananthapuram	C/o Reserve Bank of India Bakery Junction Thiruvananthapuram-695 033  Tel.No.2332723/2323959 Fax No.0471-2321625	Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry (only Mahe Region).