

### **Important features of Banking Ombudsman :**

The Banking Ombudsman is a senior official appointed by the Reserve Bank of India to redress customer complaints against deficiency in certain banking services. All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.

Some of the deficiency in banking services including internet banking, covered under the Banking Ombudsman Scheme are:

- deficiency in customer service like non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
- delayed or non- payment of inward remittance, delay in issuance of drafts,
- non-adherence to prescribed working hours;
- refusal to open deposit accounts without any valid reason for refusal;
- levying of charges without adequate prior notice to the customer;
- forced closure of deposit accounts without due notice or without sufficient reason;
- refusal to close or delay in closing the accounts; etc.,
- non-adherence to the fair practices code as adopted by the bank or 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 ;
- non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.

As regards loans and advances, a customer can also lodge a complaint on the following grounds of deficiency in service with respect to loans and advances:-

- Non-observance of Reserve Bank Directives on interest rates; delays in sanction, disbursement or nonobservance of prescribed time schedule for disposal of loan applications;
- non-acceptance of application for loans without furnishing valid reasons to the applicant; 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.,

One can file a 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 one's representation, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.

However a complaint will not be considered by the Ombudsman in the following situations:

- (i) The person has not approached his bank for redressal of his grievance first
- (ii) The subject matter of the complaint is pending for disposal or has already been dealt with at any other forum like court of law, consumer court etc.
- (iii) The institution complained against is not covered under the scheme
- (iv) The subject matter of the complaint is not within the ambit of the Banking Ombudsman

A person can file a complaint with the Banking Ombudsman simply by writing on a plain paper. A person can also file it on-line or by sending an email to the Banking Ombudsman. For complaints relating to credit cards and other types of services with centralized operations, complaints may be filed before the Banking Ombudsman within whose territorial jurisdiction the billing address of the customer is located.

The complaint can also be filed by one's authorized representative (other than an advocate). The amount, if any, to be paid by the bank to the complainant by way of compensation for any loss suffered by the complainant is limited to the amount arising directly out of the act or omission of the bank or ` 10 lakhs, whichever is lower

The Banking Ombudsman may award compensation not exceeding ` 1 lakh to the complainant only in the case of complaints relating to credit card operations for mental agony and harassment. The Banking Ombudsman will take into account the loss of the complainant's time, expenses incurred by the complainant, harassment and mental anguish suffered by the complainant while passing such award.

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

(i) not on the grounds of complaint referred to above compensation sought from the Banking Ombudsman is beyond ` 10 lakh (ii) in the opinion of the Banking Ombudsman there is no loss or damage or inconvenience caused to the complainant.

If one is aggrieved by the decision, he/she 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/ she 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.