

A Researchon Indian Banking Ombudsman Scheme

C. Vijai, Sundari Suresh

Dr.C.Vijai, Assistant Professor, Department of Commerce, St.Peter's Institute of Higher Education and Research, Chennai, Tamil Nadu,India.(Email: vijaialvar@gmail.com)

Prof.Dr.Sundari Suresh, President, Global Multidisciplinary Research & Academic Foundation, Certificate Corporate Director (CCD), Chennai, Tamilnadu, India.(Email: sundaris10@gmail.com)

Article Info

Volume 81

Page Number: 6222 - 6226

Publication Issue:

November-December 2019

Abstract

Ombudsman Scheme is a framework [5] dreams for the patron grumblings. The clients have been happy with the management granted by way of manner of banks or face troubles even as dealing with you probably can have a look at for a economic ombudsman to redress beneath the Banking Ombudsman Scheme RBI. In this paper, we are looking to dissect the Banking Ombudsman Scheme. This exploration plan to differentiate viability Banking Ombudsman Scheme in India Banking department and [7] to research the Banking Ombudsman Scheme exhibition in India Banking phase. Information collected from the web page and diaries, unique books, articles, very last examination, report the advisory organization. These assessments rely on elucidating the studies. The quantity [1] lawsuits obtained with the useful resource of BOs extended through the use of 24.Nine% in comparison to 27.Three% in 2016-17 ascent. It suggests the client familiarity with the Ombudsman Scheme.

Article History

Article Received: 5 March 2019

Revised: 18 May 2019

Accepted: 24 September 2019

Publication: 28 December 2019

Keywords.Banking Ombudsman Scheme, Banking, Economic Policy, Performance Review. Complaints, Disposal

I.INTRODUCTION

The term 'Ombudsman' is defined as "a central authority reputable who hears and investigates

proceedings by way of personal residents towards other officials [1] Ombudsman scheme introduced by means of the Government of India through the advice of Santhanam Committee to offer higher customer support .[15]Banking Ombudsman scheme is brought below Section 35A of the banking law Act 1945 [17]with the aid of the use of RBI with impact from 1995 [2] There are 15 banking ombudsman is appointed to redress purchaser court docket cases closer to deficiency in some banking offerings.

The Scheme is delivered with the item of permitting decision of court cases referring to positive offerings rendered via using banks and to facilitate the pleasure or settlement of such court cases. [11] The scheme have become brought to business banks, [13]Scheduled Primary Co-operative Bank, having a administrative center in India, whether such economic institution is blanketed in India or out of doors India.

II. LITERATURE EVALUATE

The variety of studies has been achieved regarding the services of banking ombudsman to their clients. Some of them are listed under:

Mahesh Baburao : (2011), elements out that the attention furnished by the Reserve Bank of India is lots low and nevertheless the awareness wishes to be created. He additionally elements that if there may be an individual

ombudsman for every metropolis co-operative financial institution, then his targets might be glad.[3]

Myladri and Sirisha (2011) of their studies discovered that banking ombudsman is a boon for the customers to redress their courtroom cases, ombudsman is supposed to clear up the individual instances of clients, he in addition says that the ombudsman should be independent in the direction of any clients be it small clients they ought to win the self warranty of such customers.[3]

Singh [4](2011) placed that the banking ombudsman is a primary awareness on choice of client grievances. There has been a huge boom inside the quantity of court docket cases received thru the Bank Ombudsman workplaces. This shows the good religion of clients in Bank Ombudsman. Bank group clever, there was an growth within the variety of complaints filed inside the case of all scheduled business banks.[4] However there may be an growth within the number of court cases from the rural regions however it does not seem like on pinnacle of factors. Improving accessibility of the scheme for the rural areas is the need of the day.

III. WHAT IS THE BANKING OMBUDSMAN SCHEME?

The Banking Ombudsman Scheme is an expeditious and inexpensive dialogue board for financial group customers for resolution of proceedings relating to certain services rendered through banks. The Banking Ombudsman Scheme is introduced underneath Section 35 A of the Banking Regulation Act, 1949 by means of RBI with effect from 1995. Presently the Banking Ombudsman Scheme 2006. [9]

Revision of Banking Ombudsman Scheme, 2006:

[1] Keeping in view the changing profile of lawsuits, the Scheme emerge as revised to consist of mis-selling, as also virtual and cell banking related grievances as legitimate grounds of court cases. The ceiling of Rs.1 million on the pecuniary jurisdiction of BOs, i.E. On the maximum quantity of loss on which the BOs skip the award was removed, thereby allowing the BOs to entertain court docket cases and offer their selection irrespective of the quantity worried in the dispute. The quantity of repayment that BOs can award, similarly to the disputed quantity, have become expanded from Rs. 1 million to Rs. 2 million and compensation o Rs.Zero.1 million, in the direction of harassment and intellectual pain (formerly to be had simplest to credit card court cases), become extended to all complainants. The scope for a complainant to choose an attraction was greater appropriate with the aid of creating, the Clause “requiring interest of tricky documentary and oral evidence” used for closure of instances via manner of BOs, as appealable.[20] (The Banking Ombudsman Scheme, 2006 Annual Report 2017-18)

Type of courtroom cases resolved with the resource of banking ombudsman

The type and scope of the court docket instances which may be considered through a Banking Ombudsman may be very whole, and it is been empowered to gain and recollect complaints pertaining to the subsequent:[2]

- Non-price or inordinate postpone within the price or collection of cheques, drafts, bills, and many others.;
- Non-recognition, with out sufficient reason, of small denomination notes tendered for any cause, and for charging of charge for this service;
- Non-popularity, without sufficient cause, of cash tendered and for charging of fee for this issuer;
- Non-payment or cast off in price of inward remittances ;
- Failure to problem or remove in trouble, of drafts, pay orders or bankers’ cheques;
- Non-adherence to prescribed running hours;
- Failure to honour guarantee or letter of credit score commitments;
- Failure to provide or put off in supplying a banking facility (apart from loans and advances) promised in writing by the usage of a economic organization or its direct promoting sellers;
- Delays, non-credit score of proceeds to events’ debts, non-price of deposit or non-observance of the Reserve Bank directives, if any, relevant to price of interest on deposits in any economic savings, contemporary or different account maintained with a monetary group ;
- Delays in receipt of export proceeds, coping with of export payments, collection of bills and so forth., for exporters provided the said complaints pertain to the financial institution’s operations in India;
- Refusal to open deposit bills without any legitimate motive for refusal;
- Levying of charges with out suitable sufficient previous study to the patron;

- Non-adherence via the economic organization or its subsidiaries to the commands of Reserve Bank on ATM/debit card operations or credit rating card operations;
- Non-disbursement or put off in disbursement of pension to the amount the complaint can be attributed to the movement on the a part of the monetary group concerned, (however no longer on the subject of its personnel);
- Refusal to simply accept or put off in accepting fee in the direction of taxes, as required via Reserve Bank/Government;
- Refusal to problem or delay in issuing, or failure to provider or dispose of in servicing or redemption of Government securities;
- Forced closure of deposit payments with out due word or without sufficient motive;
- Closure of account with out consumer concern.
- Refusal to shut or delay in closing the bills;
- Non-adherence to the sincere practices code as followed with the aid of the bank; and
- Financial loss incurred to client because of wrong records given via monetary organization reliable.
- Any other bear in mind regarding the violation of the directives issued via the Reserve Bank with regards to banking or different services.

complaints from Non-Resident Indians having debts in India close to their remittances from overseas, deposits and special monetary institution-associated matters; Procedure for making complaint with Banking Ombudsman[10]

A financial group purchaser can document a grievance with the Banking Ombudsman clearly through writing on a easy paper or via on-line. The consumer can report a grievance with the Banking Ombudsman in the following grounds:

The financial institution fails to provide reply to the client’s criticism in a unmarried month

The financial institution rejects the criticism,

The complainant isn't happy with the respond given by way of the financial institution.

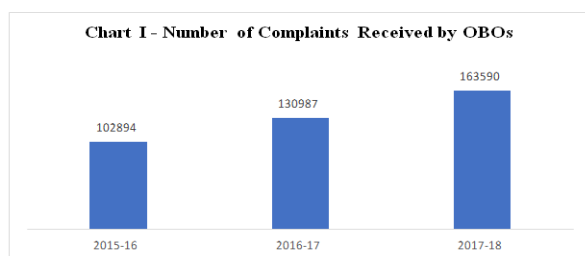
IV. RESEARCH OBJECTIVE

The[7] number one objective of the look at is to investigate the overall overall performance of the Banking Ombudsman Scheme. The present have a look at is primarily based on secondary information. The secondary statistics were collected from technical books, articles, preceding research, committee reports, Indian Banks Association Bulletin (IBI) bulletins, RBI announcements, [7] The gift have a examine is constrained to ten years i.E.From 2015-sixteen to 2017 -18.

V. DATA ANALYSIS TOOLS& RESULTS

To study the data style evaluation is finished
Data Analysis and Interpretation

1. Number of Complaints received by the OBOs



Source: RBI

During the year 2015-16 OBOs received 102894. Complaints and in 2016-17, it is 130987 and in the year of [1] 2017-18, 163590. The number of complaints received by the BOs increased by 24.9% as compared to a rise of 27.3% in 2016-17.

2. Receipt of complaints Mode-wise [5]

Table: 1 Receipt of complaints Mode-wise

Mode	Number of complaints received during		
	2015-16	2016-17	2017-18
Email	35169	57472	79550
On line	15378	22366	24512
Post/Fax/Courier/ hand delivery	52347	51149	59528

Source: RBI

The fashion within the closing three years shows that the complainants are increasingly more moving toward the usage of electronic mail and on-line portal of the formerly dominant bodily mode of complaint accommodations.

Customers decide upon e-mail to ship a grievance. OBOS received the most complaints through electronic mail.

3. Bank group-wise classification[5]

Table: 2 Bank group-wise classification

Bank Group	Number of complaints received during		
	2015-16	2016-17	2017-18
Nationalized Bank	35,447	45,364	54,970
SBI & Associates	29,585	35,950	46,993
Private sector Banks	26,931	35,080	42,443
Foreign Banks	3,413	3,284	3,850
RRBs/ Scheduled Primary Urban co-operative bank[1]	2,293	2,481	3,229
Payment & small Fin Banks	-	-	473
Others	5,225	8,828	11,632

Source: RBI

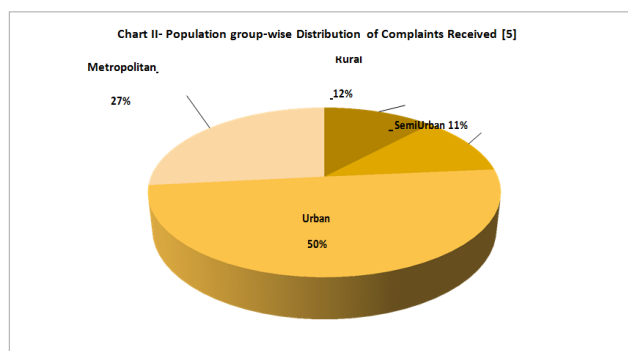
Of the total variety of court cases received in OBOs. There extra procedures opposite to other nationalized banks and SBI and pals in which the consumer is also greater in number than different economic establishments. The maximum percentage of court cases towards non-public banking region.

4. Distribution Group-experience Population Complaint [1]

During this yr, 50% of the whole quantity of courtroom instances filed with the help of clients from financial institutions placed in city regions, even 12% had been received from human beings in rural regions. The latter grew 18% from yr-give up may be as a result of, amongst other matters, to raise awareness approximately the Scheme. However, the strategies filed with the customers of financial institutions who are in semi-urban and rural areas modest

taken together accounted for 23% of the overall prison needs, highlighting the choice to elevate the level of awareness of a human being in this area. Population

distribution agency-clever lawsuits during the last twelve months are given in Chart II below. (The Banking Ombudsman Scheme, 2006 Annual Report 2017-18)



Source: RBI

5. Category-wise distributions of complaints

Table: 3 Category-wise distributions of complaints [3]

Complaint Category	No of complaints received		
	2015-16	2016-17	2017-18
Non-observance of Fair Practice Code	23,740 (23.10%)	31,769 (24.30%)	36,146 (22.10%)
ATM/ Debit Cards	13,081 (12.70%)	16,434 (12.50%)	24,672 (15.10%)
Credit Cards	8,740 (8.50%)	8,297 (6.40%)	12,647 (7.70%)
Failure to Meet Commitments [1]	7,977 (7.80%)	8,911 (6.80%)	11,044 (6.80%)
Mobile / Electronic Banking	-	-	8487 (5.20%)
Levy of Charges without Prior Notice	5,705 (5.50%)	7,273 (5.60%)	8,209 (5%)
Pension Payments	6,342 (6.20%)	8,506 (6.50%)	7,833 (4.80%)
Deposit Accounts	5,046 (4.90%)	7,190 (5.50%)	6,719 (4.10%)
Loans and Advances [1]	5,399 (5.30%)	5,559 (4.20%)	6,226 (3.80%)
Non-adherence to BCSBI Codes	3,211 (3.10%)	3,699 (2.80%)	3,962 (2.40%)
Remittances	2,494 (2.40%)	3,287 (2.50%)	3,330 (2%)
Notes and Coins	63 (0.10%)	333 (0.25%)	1,282 (0.80%)
Para-Banking [1]	-	-	579 (0.40%)
DSAs and Recovery Agents	357 (0.30%)	330 (0.25%)	554 (0.30%)
Others	16,988 (16.50%)	23,169 (17.70%)	26,219 (16%)
Out of Purview of BO Scheme	3,751 (3.70%)	6,230 (4.80%)	5,681 (3.50%)
Total	102,84	130,987	163,590

Source: RBI

Complaints concerning [1] 'Non-observance of Fair Practice Code' maintains to account for the first-class percent (22.1%) of the proceedings received in OBOS. This, together with different motives, namely 'Failure to Meet Commitments' and 'Non-compliance BCSBI Code', represent 31.3% of the overall court cases. Centering motion by means of manner of a economic group is required in this example to make sure that a set of workers, specifically in client factors compiled touch with the required competencies and skilled proper.

Complaints related to the Debit Card / ATM includes 15.1% of all proceedings marking an increase of fifty% from last 12 months. Of the overall technique of ATM / Debit Card, sub-magnificence 'account is debited however not disbursed coins by using the usage of ATM' which money owed for nearly 60% of court docket cases associated with the ATM. (The Banking Ombudsman Scheme, 2006 Annual Report 2017-18)

6. Comparative Position of Disposal of Complaints by OBOs [1]

Table 4- Comparative Position of Disposal of Complaints by OBOs

Number of Complaints	Year [1]		
	2015-16	2016-17	2017-18
Received during the Year	102,894	130,987	163,590
Brought forward from Previous Year	3,778	5,524	11,215
Handled during the Year	106,672	136,511	174,805
Disposed during the Year	101,148	125,296	168,623
Rate of Disposal (%)	95%	92%	96.50%
Carried forward to the Next Year	5,524	11,215	6,182

Source: RBI

During the 2015-sixteen OBOS obtain 5524 102 894 proceedings of complaints submitted to the subsequent 12 months. During 2017-18 they obtained 163 590 eleven 215 Encompass method court cases made 2016-17. Cost discharge for 2015-16 (95%) and 2016-17 became (90 %) closing in the 2017-18 trip into 96.Five%.

Locating

- The [1] Various court cases acquired by BOs improved with the help of 24.Nine% in comparison with 27.3% growth in 2016-17.
- Customers select to e mail to send criticism. OBOS obtain court instances maximum via e mail.
- There are courtroom cases larger to extraordinary banks nationalized and SBI & pals wherein shoppers also are extra at a ramification of other economic institutions.
- The [1] The wide variety of methods introduced via way of a monetary institution customers who are in semi-urban and rural taken together most effective accounted for 23% of all courtroom instances, highlighting the want to increase the level of reputation of the those who live on this area.
- Complaints regarding [1] 'Non-observance of Fair Practice Code' continues to account for the exceptional percent (22.1%) of the lawsuits acquired at OBOS.

VI. CONCLUSION

Reserve Bank of India has taken tremendous steps to enhance proceedings from customers and it is known as the Banking Ombudsman Scheme. [8] Banking Ombudsman presents a platform for customers in order that customers can get the technique to strategies for their proceedings. Banking [19] The Ombudsman Scheme is a very essential channel for Indian banks. [6] Banks typically understood as an agency offers with cash from the network; Bank establishments thru [6] where the provider may be very essential consumer pride. From the above discussion and evaluation suggests that the variety [4] the good of the court case acquired and handled by using the banking ombudsman, [8] he was able to say that clients are very happy with the services of the banking ombudsman. This takes region within the city people but rural residents still do not recognize the banking ombudsman.

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