GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

UNSTARRED QUESTION NO. 230

ANSWERED ON 21ST JULY, 2026(TUESDAY)/ 30 ASHADHA, 1948 (SAKA)

COMPLAINTS OF HARASSMENT BY BANK OFFICIALS

230 SHRI AKHILESH PRASAD SINGH:

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government has received complaints regarding harassment, intimidation and misbehaviour by bank officials and loan recovery agents while recovering loans from borrowers, including in Bihar;

(b) Whether the Government has reviewed the compliance of banks with the guidelines issued by the banking regulator on fair recovery practices;

(c) the number of complaints received and action taken against banks and recovery agencies during the last three years; and

(d) Whether the Government proposes to strengthen safeguards and accountability to protect borrowers from coercive recovery practices?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (c) Yes. As per the RBI data, the number of complaints received against banks on recovery agencies during the last three years are furnished below:

Financial Year	No. of complaints	
	All India	Bihar
2023-24	4191	83
2024-25	8623	223
2025-26	18021	435

Banks take action as per their grievance redressal mechanism in accordance with regulatory guidelines.

(b) Yes. Department of Financial Services reviews and takes action as per grievance redressal system regularly. In addition the banks have put in place robust monitoring and compliance framework to ensure adherence to the guidelines issued by the Reserve Bank of India. The banks periodically review their recovery processes, policies, and operational procedures to ensure alignment with extant regulatory instructions and internal guidelines.

(d) To strengthen safeguards and accountability to protect borrowers from coercive recovery practices, RBI has issued directions to banks, vide notification dated 28.11.2025, that they shall not resort to undue harassment, have a due diligence process for engagement of recovery agents. Banks are also directed to ensure due notice and appropriate authorization to recovery agents, ensure that the contracts with the recovery agents do not adopt uncivilized, unlawful and questionable behaviour or recovery process, to be responsible for the actions of their service providers including recovery agents and ensure that agents do not resort to intimidation or harassment of any kind.

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