

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO. 4965

TO BE ANSWERED ON 31st MARCH 2017

QUESTION

Financial Redressal Agency

4965. SHRI BHEEMRAO B. PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has constituted any task force to create a framework for a sector-neutral Financial Redressal Agency (FRA) to address grievances of retail consumers against all Financial Service Providers (FSPs);
- (b) if so, the details thereof along with terms and references of the task force;
- (c) whether the said task force has submitted its report; and
- (d) if so, the details thereof along with the action taken thereon?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ARJUN RAM MEGHWAL)

(a) & (b): The Government constituted a Task Force on 5.6.2015 for establishing a sector-neutral Financial Redressal Agency (FRA) for addressing grievances against all financial service providers(FSPs), as announced in the Budget Speech of 2015-16 by the Government. The Terms of Reference (ToR) of the Task Force, *inter alia*, included a review the international best practices in consumer grievance redress, including ombudsmen and other dispute resolution mechanisms, with a focus on the financial sector and review of the present practices of management of financial consumer redress in India and formulating the operationalisation details of the FRA, such as, organisation and human resource design, business model and institutional framework. The Task Force was required to undertake cost-benefit analysis of alternatives / options, while making recommendations. The Task Force was required to complete its task within one year.

(c) and (d): The Task Force submitted its report to the Government on 30.6.2016. The Task Force, *inter-alia* has recommended the Legislative Framework, Operational Design, Organizational Design, Staffing and Infrastructure, Funding Requirement and Business Model and Implementation Steps. The report of the Task Force was placed in the public domain on the website of the Ministry at > <http://dea.gov.in/recent-update> < and a Press Release was issued in December, 2016, inviting comments from public/stakeholders till 31.1.2017. The comments of the financial sector regulatory authorities on the proposals contained in the Report of the Task Force have also been invited through separate letters issued to them on 16.2.2017.
