

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 3577**

TO BE ANSWERED ON THE 08<sup>th</sup> AUGUST, 2022 / SRAVANA 17, 1944 (SAKA)

**'Complaints against Banks'**

**3577. DR. TALARI RANGAIAH:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the number of complaints against Banks is increasing year by year;
- (b) if so, the details of nature and number of complaints against both public and private sector banks; and
- (c) the corrective measures taken by the Government and outcomes thereof so far?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(DR. BHAGWAT KARAD)

**(a) & (b):** As per the information received from Reserve Bank of India (RBI), banks are primarily responsible for redressal of complaints received against them from their customers.

As informed by RBI, the number of complaints against Public Sector Banks (PSBs) and Private Sector Banks under various complaint categories which were received and disposed by Office of RBI Ombudsmen (ORBIOs) as on July, 25, 2022 under the erstwhile Banking Ombudsman Scheme (BOS), 2006 and the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS), 2021 from April 01, 2019 to July 25, 2022 are furnished below:

Table: Consolidated year-wise complaints Received and Disposed at ORBIOs

Year	Number of complaints received	Number of complaints disposed
April 01, 2019 to March 31, 2020	2,62,004	2,62,004
April 01, 2020 to March 31, 2021	3,01,277	3,01,277
April 01, 2021 to March 31, 2022	2,41,242	2,41,238
April 01, 2022 to July 25, 2022	51,447	37,640

Source: RBI

Complaints received normally pertain to issues related to ATM/debit cards/credit cards, mobile/electronic banking, failure to meet commitments, non-observance of fair practice code, levy of charges without prior notice, loans and advances, deposit accounts and pension payments etc.

**(c):** RBI has taken various initiatives over the years for improving customer service and grievance redress mechanism in banks. Detailed guidelines on customer service have been issued to banks encompassing various aspects of operations that impact customers. The BOS was introduced in 1995 to serve as an alternative grievance redress mechanism for customer complaints against banks. The Scheme was amended periodically to keep in tune with the changing landscape in the banking sector and formed the basis for launch of two other Ombudsmen Schemes for NBFCs and Non-bank Payment System Participants. The three Schemes were merged into RB-IOS, 2021. Along with the RB-IOS, the Centralised Receipt and Processing Center (CRPC) was also established at RBI, Chandigarh for receipt and initial processing of physical and email complaints. A Contact Center has also been set up at CRPC which is available at Toll Free Number 14448 to provide information on grievance redress mechanism of RBI to complainants.

As part of the disclosure initiative, banks were advised to disclose in their annual reports, summary information regarding the complaints handled by them; and certain disclosures were also being made in the Annual Report of the Ombudsman Schemes published by the Reserve Bank. The disclosure requirements were made granular as a part of framework for strengthening the Internal Grievance Redress (IGR) mechanism of banks vide RBI circular dated January 27, 2021.

RBI has also taken various initiatives for creating customer awareness with respect to digital transactions such as:-

(a) Making customers aware of RBI instructions on frauds in electronic banking transactions by having a re-run of the campaigns on its regulations limiting the liability of customers in fraudulent electronic banking transactions;

(b) Making customer aware of the RB-IOS as an integrated ombudsman scheme for all the customers of digital financial services offered by entities regulated by RBI (bank as well as non-bank payment system participants);

(c) A multi-media campaign on RB-IOS, 2021 is being carried out at Pan-India level;

(d) Campaigns on Safe Digital Banking focusing on UPI frauds and AEPS are also being carried out.

Further, Department for Payment and Settlement Systems of RBI, vide circular DPSS.CO.OD.No.1934/06.08.005/2019-20 dated June 22, 2020 has advised all authorized payment systems operators and participants (banks and non-banks) to undertake targeted multi-lingual campaigns by way of SMSs, advertisements in print and visual media, etc., to educate their users on safe and secure use of digital payments.

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