

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO-1097**

ANSWERED ON MONDAY, FEBRUARY 10, 2025/MAGHA 21, 1946 (SAKA)

**OVERSIGHT OF CREDIT RATING BUREAUS**

1097. THIRU ARUN NEHRU

Will the Minister of FINANCE be pleased to state:-

- (a) the details of oversight mechanism currently in place for Credit Rating Bureaus;
- (b) whether the consumers are denied a fair chance to correct errors in their report; and
- (c) whether the Government proposes to take corrective action to protect the common man?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c): Credit Information Companies (CICs) are governed by the provisions of Credit Information Companies (Regulation) Act, 2005 (CICRA), the rules and regulations made thereunder, and guidelines issued by the Reserve Bank of India (RBI) from time to time. The extant framework of CICRA empowers RBI to determine policy in relation to functioning of CICs, issue directions, inspect the book of accounts and impose penalty on CICs for non-adherences to the extant guidelines.

It is provided in CICRA that a borrower or client may request the concerned CIC or the credit institution (CI) for correction/updation of his credit information, and the concerned CIC or CI are required to take appropriate steps to update the credit information within thirty days of being requested to do so.

Further, RBI has extended the alternate grievance redressal mechanism under Reserve Bank- Integrated Ombudsman Scheme, 2021 (RBIOS) to cover grievances against CICs also. In case of being aggrieved by an act or omission of a CIC or CI, resulting in deficiency in service, the customer can file a complaint under RBIOS for redressal.

Also, RBI has proactively taken measures for strengthening and improving the efficacy of the grievance redress mechanism and customer service provided by the CIs and CICs, under the broad framework of CICRA, 2005. RBI has issued Master Direction on Credit Information Reporting, which, *inter alia*, include following provisions to improve delivery of services to the common man:

- (i) CICs have been directed to provide access to one free full credit report, including credit score, in an electronic format, to individuals whose credit score is available with them.
- (ii) CICs, with a view to strengthen the internal grievance redress mechanism by enabling a review of customer complaints before their rejection, have been directed to appoint Internal Ombudsman to act as an independent apex level authority within the CIC.
- (iii) CICs and CIs have been directed to implement the compensation mechanism for delayed updation or rectification of credit information, wherein complainants are entitled to a compensation of Rs. 100 per calendar day in case their complaint is not resolved within a period of thirty calendar days.
- (iv) In case of wrongful denial of compensation by CIs or CICs, the complainant can approach RBI Ombudsman under RBIOS.
- (v) CICs have been directed to notify customers via SMS or email, when their Credit Information Report (CIR) is accessed by the Specified Users and such enquiry reflects in the CIR of the borrower.
- (vi) CIs have been directed to send alerts through SMS or email to customers, while submitting information to CICs regarding default or days past due in existing credit facilities.
- (vii) CIs and CICs have been directed to undertake Root Cause Analysis (RCA) of the customer grievances at least on a half-yearly basis.

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