

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 159

ANSWERED ON MONDAY, DECEMBER 1, 2025 / AGRAHAYANA 10, 1947 (SAKA)

Local Language Proficiency in Public Sector Banks

159. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:

SHRI MANICKAM TAGORE B:

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken to ensure that PSU bank staff in all branches, especially in southern and western States, are proficient in the local languages to facilitate effective customer service;
- (b) whether the Government plans to revise HR policies of public sector banks to give priority to local candidates during recruitment and postings and include local language proficiency in performance appraisals, if so, the details thereof;
- (c) the measures being implemented by the Government to restore personal connect in banking, reduce dependency on digital-only interactions and ensure customers can communicate in their own language;
- (d) the plan to train existing staff and officers in local languages and monitor the timely resolution of language-related grievances of customers; and
- (e) whether the Government has introduced or proposes a mechanism to monitor Branch-level compliance on language and customer service standards, with regular reporting to ensure accountability and corrective action, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e): Public Sector Banks (PSBs) are board governed commercial entities. The customer service functions at the front-end in PSBs are primarily dealt by the Customer Service Associates (CSAs), recruitment in respect of whom is undertaken by the PSBs, State-wise, through Institute of Banking and Personnel Selection (IBPS), a Public Examination Authority, in thirteen regional languages, in addition to English and Hindi.

During the recruitment process, CSAs are required to pass a Local Language Proficiency Test (LPT) for the official language of the State or Union Territory (UT), where the staff shall be posted. This facilitates seamless communication in regional languages resulting in effective customer service.

Banks have also initiated recruitment of 'Local Bank Officers (LBOs)' for a particular State/ Region, wherein these officers are required to undergo LPT as a part of their selection process and are posted in the State / UT for which they have applied. This ensures priority being accorded to the local candidates who are proficient in the local language in their recruitment as well as posting, thereby leading to enhanced customer experience and satisfaction.

While CSAs and LBOs are recruited for a particular State / Region, other officers are recruited on a Pan-India basis and are subject to transfer all over India. For such officials, PSBs conduct language training (online & offline)/workshops, to learn communicative skills in regional languages.

Further, to ensure customer service standards and boost personal connect with customers including addressing of service-related concerns, PSBs undertake various customer outreach initiatives such as customer service meets, providing door step banking facilities, utilizing the services of Business Correspondents, Call Centres, Grievance redressal framework, Feedback mechanism, compliance with RBI directives on Customer Service in Banks etc.
