

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO 1059

TO BE ANSWERED ON THE 29th APRIL, 2016 / Vaisakha 9, 1938 (SAKA)

COMPLAINTS AGAINST BANK OFFICIALS

1059.DR. C. GOPALAKRISHNAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received complaints against bank officials for alleged irregularities, violation of prevention of money laundering, malpractices deficiencies in services and harassment of their customers for sanctioning of various loans;
- (b) if so, the details thereof including the number of such complaints registered/action taken against the officials during each of the last three years, bank and State/UT-wise;
- (c) the mechanism put in place by the Government/ Reserve Bank of India (RBI) to monitor the functioning of Bank and to check irregularities/malpractices therein; and
- (d) the remedial steps taken/being taken by the Government to redress these complaints in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI JAYANT SINHA)

(a to d):The Central Government and Reserve Bank of India(RBI) have put in place adequate systems for redressal of public grievances relating to banks. One of the key priorities of the Government is the protection of interest of customers and provisions of improved quality of customer services in Banks. Instructions / guidelines have been issued to PSBs from time to time to ensure prompt and effective redressal of public grievances and strengthening of grievance redressal machinery.

To bring customer centricity in the provision of banking services, the RBI has also issued guidelines for customer protection, improved customer care and expeditious disposal of grievances.

The Public Sector Banks (PSBs) have their own internal three tier public grievance system for speedy redressal of grievances so that escalation of complaints to ombudsman / regulatory level is kept to the barest minimum.

In case the complainants are not fully satisfied with the redressal / disposal of complaints, they may approach the concerned Banking Ombudsman for settlement of their grievances through mediation and passing of awards in a time frame. The contact and other relevant details / information regarding grievance redressal are available in the website links of PSBs and RBI.

The grievances received in the Department of Financial Services (DFS) are processed and forwarded through CPGRAMS (Centralized Public Grievance Redress and Monitoring System) to concerned Banks for resolution / disposal, monitored and periodically reviewed. The Portal is accessible at www.pgportal.gov.in.

Details of the total no. of complaints received in DFS through CPGAMS during the last three years and the current year which includes details of complaints against bank officials for deficiencies in services and harassment of customers for sanctioning of various loans is at Annex-I.

RBI has informed that a complaint on any one of the following grounds alleging deficiency in banking service in respect of loans and advances may be filed with the Banking Ombudsman having jurisdiction:

- a) non-observance of Reserve Bank Directives on interest rates;
- b) delays in sanction, disbursement or non-observance of prescribed time schedule for disposal of loan applications;
- c) non-acceptance of application for loans without furnishing valid reasons to the applicant; and
- d) non-adherence to the provisions of the fair practices code for lenders as adopted by the bank or Code of Bank's Commitment to Customers, as the case may be;
- e) non-observance of Reserve Bank guidelines on engagement of recovery agents by banks; and
- f) non-observance of any other direction or instruction of the Reserve Bank as may be specified by the Reserve Bank for this purpose from time to time.

Details of the complaints handled by 15 offices of Banking Ombudsman on these grounds during the last three years and the current year is at Annex-II. The complaints were resolved as per the provisions of the Banking Ombudsman Scheme.

The following steps have been taken by RBI to improve the efficiency of the banks:

- I. RBI supervises banks through Annual Financial Inspection (AFI) or undertakes risk based supervision under its supervisory framework. The bank's compliance with various guidelines of RBI are examined on a sample basis.

- II. RBI also has a process of penalising banks on violations observed in this regard, as and when required.
- III. Each bank is expected to constantly review the efficacy of its internal control system.

CPGRAMS Grievance Wise Report For the period 01/01/2012 to 27/04/2016

Grievnce Category	BF as on 01/01/2012	Received during the period	Disposed during the period	Pending as on the 27/04/2016
Atal Pension Yojana	0	106	91	15
Bank Lockers	0	50	41	9
Complaint reg. deficiency in customer service	0	1371	1360	11
Complaint regarding education loan	0	3984	3819	165
Complaint regarding Housing loan	0	1291	1196	95
Complaint against Non Banking Finance Company	0	194	182	12
Complaint related to Pradhanmantri Jan DhanYojna	0	1695	1667	28
Complaint related to Pradhanmantri Mudra Yojna	0	2644	1535	1109
Complaint relating to agriculture matters	0	1819	1761	58
Complaints relating to Credit Cards/ATMs/Debit Cards etc.	0	4237	4130	107
Complaints relating to service charges	0	1244	1211	33
Complaints relating to various govt. sponsored schemes	1	1981	1777	205
Delay in clearance of cheques	0	243	231	12
Misappropriation	0	50	44	6
Misbehaviour/ rudebehaviour/ Harassment/ Corruption by bank staff	0	2449	2321	128
Miscellaneous Complaints	0	35600	34266	1334
MSME Loan	0	247	170	77
Non issue/ delay in issue of duplicate drafts	0	16	15	1

Non opening /delay in opening of new accounts	0	479	466	13
Non settlement/delay in settlement of deceased a/c	0	299	296	3
Non transfer/delay in transfer of a/cs from one office to another	0	115	113	2
Non-payment of Fixed/Term Deposit on maturity/bef. Maturity	0	761	736	25
Non-payment/non-issue of drafts	0	49	45	4
Non compliance with standing instructions of the customers	0	49	48	1
Not Assigned	23	30989	29261	1751
One Time Settlement of Loan	0	87	71	16
Opening of New Branches	0	260	253	7
Recruitment	0	786	723	63
Representations received from bank employees on various service matters	0	5313	5130	183
Retirement benefits/ delay in payment of pensions	1	7436	7198	239
Vaction of premises	0	24	22	2

Annex -II

Complaints Received by the Offices of Banking Ombudsmen(July-June) on Loans and Advances

Bank Name	2012-13	2013-14	2014-15	2015-16(till April 25,2016)
Public Sector Banks				
STATE BANK OF INDIA	1447	1582	1107	915
STATE BANK OF BIKANER AND JAIPUR	191	132	77	31
STATE BANK OF HYDERABAD	63	42	48	35
STATE BANK OF MYSORE	23	54	30	25
STATE BANK OF PATIALA	52	22	25	23
STATE BANK OF TRAVANCORE	84	109	151	57
ALLAHABAD BANK	118	62	65	56
ANDHRA BANK	42	51	40	57
BANK OF BARODA	206	156	156	122
BANK OF INDIA	134	118	123	126
BANK OF MAHARASHTRA	34	37	37	20
CANARA BANK	214	237	230	212
CENTRAL BANK OF INDIA	155	138	172	125
CORPORATION BANK	67	88	67	46
DENA BANK	53	52	34	27
INDIAN BANK	216	364	249	253
INDIAN OVERSEAS BANK	185	250	238	207
ORIENTAL BANK OF COMMERCE	52	44	31	39
PUNJAB AND SIND BANK	23	21	16	22
PUNJAB NATIONAL BANK	262	153	143	149
SYNDICATE BANK	75	84	105	77
UCO BANK	101	70	60	63
UNION BANK OF INDIA	137	130	130	105
UNITED BANK OF INDIA	88	42	58	28
VIJAYA BANK	43	39	31	37
BHARTIYA MAHILA BANK			1	4
IDBI BANK LIMITED	87	55	34	34
Private Sector Banks				
CATHOLIC SYRIAN BANK LTD	21	13	11	9
CITY UNION BANK LIMITED	26	33	27	13
FEDERAL BANK LTD	33	34	42	27
ING VYSYA BANK LTD	38	26	27	4
JAMMU AND KASHMIR BANK LTD	6	2	6	8
KARNATAKA BANK LTD	7	7	11	11
KARUR VYSYA BANK LTD	19	25	16	15

LAKSHMI VILAS BANK LTD	24	54	33	21
NAINITAL BANK LTD	3	0	2	1
RATNAKAR BANK LTD	0	4	6	6
SOUTH INDIAN BANK LTD	28	24	19	16
TAMILNAD MERCANTILE BANK LTD	19	38	21	14
THE DHANALAKSHMI BANK LTD	14	7	9	5
AXIS BANK LIMITED	149	119	152	190
DEVELOPMENT CREDIT BANK LTD.	7	11	9	22
HDFC BANK LTD.	286	190	222	281
ICICI BANK LIMITED	419	321	212	323
INDUSIND BANK LTD	23	24	39	63
KOTAK MAHINDRA BANK LTD.	41	55	49	108
YES BANK LTD.	4	2	1	5
FOREIGN BANKS				
AMERICAN EXPRESS BANKING CORP.	0	0	0	1
BARCLAYS BANK PLC	15	5	3	7
CITIBANK N.A	28	19	25	25
DBS BANK LTD.	0	1	1	
DEUTSCHE BANK AG	5	2	4	6
HONGKONG AND SHANGHAI BANKING CORPN.LTD.	28	13	7	20
ROYAL BANK OF SCOTLAND	10	18	11	2
STANDARD CHARTERED BANK	81	100	52	48
Other Foreign Banks	0	1	0	0
RRBs/Scheduled Co-op Bank/Others	510	375	371	291
Grand Total	5996	5655	4846	4437

