



INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS AND MANAGEMENT

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ADHERENCE OF CUSTOMER NEEDS THROUGH THE REDRESSAL MECHANISM OF BANKS

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ABSTRACT

The Reserve Bank initiated several measures during 2006-07 to protect customers' rights, enhance the quality of customer service and strengthen the grievance redressal mechanism in the Reserve Bank as well as in banks. The Banking Ombudsman which has been initiated during the year 2006 can receive and consider any complaint relating to the various deficiencies in banking services including internet banking. The forum of redressal of consumers' grievances about banking, the Banking Ombudsman (BO), received 79,266 complaints at its 15 offices in 2009-10, contributed largely by the complaints received at the offices of the three major metropolises of Mumbai, New Delhi and Chennai. This paper is an attempt to evaluate the nature and progress of complaints received and disposed related to the banking services. Among the complaints received, the complaints regarding Credit cards, debit cards and ATM cards ranks first. Hence, it is strongly recommended that the Scheduled Commercial banks should improve the customer services in general and with ATMs in particular in order to avoid the complaints from the customers.

KEYWORDS

Banking Ombudsman Scheme, Customers, Complaints, disposal.

INTRODUCTION

The Reserve Bank initiated several measures during 2006-07 to protect customers' rights, enhance the quality of customer service and strengthen the grievance redressal mechanism in the Reserve Bank as well as in banks. A new department for customer service, 'Customer Service Department', was constituted in the Reserve Bank which became operational on July 1, 2006 mainly to (i) oversee the customer service aspects relating to grievance redressal by banks; (ii) administer the Banking Ombudsman (BO) Scheme; and (iii) liaise with the Banking Codes and Standards Board of India (BCSBI). The department also oversees the level of customer service in the Reserve Bank offices. The data regarding the complaints received at the Reserve Bank offices are collated and analyzed at Central Office level on a monthly basis and reviewed by the Local Board on a quarterly basis.

During 2008-09, focused attention is given to the customer service dimension of the banking sector by sensitizing banks to render good and efficient customer service, and encourage involvement of Boards of banks in evolving policies keeping in view the needs and aspirations of customers. The Reserve Bank has set up a full-fledged Customer Service Department with a view to making the banks more customer-friendly. The Reserve Bank has taken a number of steps to disseminate instructions/guidelines relating to customer service and grievance redressal by banks through the multi-lingual website by placing all customer related notifications and press releases in a specific page titled 'For Common Person'. Customers of commercial banks can also approach the Reserve Bank with their grievances and queries through 'Contact Us' mode of the website. A complaint form for lodging complaints with the Banking Ombudsman has also been made functional. The Banks may also display this information on their web-sites. A comprehensive Master Circular on Customer Service was issued on July 1, 2009 incorporating various issues such as customer service, operations of deposit accounts, levy of service charges, service at counters, disclosure of information, operation of accounts by old and incapacitated persons, facilities to visually impaired persons, guardianship in deposit accounts, remittances, drop box facility, collection of instruments, dishonor of cheques, dealing accounts, remittances, drop box facility, collection of instruments, dishonour of cheques, dealing with complaints, erroneous debits due to wrong/ fraudulent transactions, safe deposit lockers, nomination facility, settlement of claims of deceased depositor/missing person, unclaimed deposits and in operative accounts, customer confidentiality obligations, transfer of internal account in branch, switching of bank, co-ordination of officers of CBDT, implementation of recommendation of Working Groups/Committees, and BCSBI's code of commitment to customers and instructions issued thereon.

NEED FOR THE STUDY

The scope of BOS was widened to include deficiencies arising out of internet banking. Under the amended Scheme, a customer would also be able to lodge a complaint against the bank for its non-adherence to the provisions of the fair practices code for lenders or the Code of Bank's Commitment to Customers issued by the Banking Codes and Standards Board of India (BCSBI). Further, non-observance of the Reserve Bank's guidelines on engagement of recovery agents by banks has also been brought specifically under the purview of the Scheme. The amended Scheme, however, does not include certain banking transactions, such as failure to honor bank guarantee or letter of credit. Complaints on these areas of banking services are insignificant in number. Any customer who has a grievance against a bank can complain to the Banking Ombudsman in whose jurisdiction the branch of the bank complained against is located. Some banks have centralized certain transactions, like housing loans and credit cards. Hence, the researcher took interest in attempting a study on the redressal mechanism of banks and the extent of the same in reaching the needy people.

STATEMENT OF THE PROBLEM

The forum of redressal of consumers' grievances about banking, the Banking Ombudsman (BO), received 79,266 complaints at its 15 offices in 2009-10 contributed largely by the complaints received at the offices of the three major metropolises of Mumbai, New Delhi and Chennai. These three offices together accounted for almost half of the total complaints (34,830 complaints accounting for 43.9 per cent of the total) in 2009-10. It may be highlighted that the number of complaints at almost all offices in India has been increasing in the recent years indicating the growing awareness among consumers about grievance redressal, but the increase was particularly rapid at the offices in these three metropolises. The share of complaints received against foreign banks and new private sector banks, which had been on a rapid increase in the recent years, showed signs of slowing down in 2009-10. In the case of foreign banks, there was a decline in the number of complaints received by the BOs in 2009-10. In contrast, there was a perceptible increase to the tune of over 26 per cent in the number of complaints received against public sector banks in 2009-10. On account of a fall in the growth of complaints against new private sector banks and foreign banks, the shares of these bank groups posted a decline between 2008-09 and 2009-10, while the share of public sector banks, particularly the SBI group showed a rise. In 2009-10, SBI group alone accounted for little less than one-third of the total number of complaints received by SCBs. The number of complaints per branch for public sector banks at 0.71 was much lower than the corresponding figures of 2.3 and 37.8 for private sector and foreign banks, respectively, in 2009-10. Though the largest number of complaints received by BOs continued to be with respect to credit/debit/ATM cards, there was a decline in the share of such complaints in 2009-10. Similarly, complaints about the core banking business of banks, particularly deposits and loans, also showed a fall during the year. The decline in the share of card-related complaints in 2009-10 needs to be juxtaposed with the decline in the share of complaints against foreign banks and new private sector banks, as card-related complaints formed an important reason for complaints against these two bank groups in the past. As the number of complaints received through the BOs is on the rising trend, the investigator thought of exploring the quantity, nature and mode of complaints received along with the agency of lodging complaints and the disposal thereof exclusively with regards to the problems related to banking sector.

OBJECTIVES OF THE STUDY

- To evaluate the role of banking sector in extending their customer services towards the redressal mechanisms.
- To highlight the quantity and nature of complaints received through the redressal mechanisms.

METHODOLOGY

The present study based on the secondary data available from the various issues of the Trend and Progress of Banking, Reserve Bank of India Bulletin and from the Annual Reports of the Consumer Protection and National Disputes Redressal Commission. The collected data were tabulated and have been analysed with the help of trend analysis, correlation analysis and percentage analysis. Further necessary charts were imparted to highlight the important figures and to make easy understanding.

SCOPE OF THE STUDY

Though the functions of the banks are many, the researcher has undertaken only the study on the redressal mechanism of the banks which covers the grounds for complaints, the functioning of Banking Ombudsman Scheme, Complaints received at Banking Ombudsman Scheme at area wise, bank wise and by the nature of complaints which naturally gives an awareness to the beneficiaries to lodge complaints and an eye opener to the banking officials with regards to their defects.

GROUNDINGS OF COMPLAINTS

The Banking Ombudsman can receive and consider any complaint relating to the following deficiency in banking services (including internet banking):

- Non-payment or delay in the payment or collection of cheques, drafts, bills etc.
- non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof
- non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof
- non-payment or delay in payment of inward remittances
- failure to issue or delay in issue of drafts, pay orders or bankers' cheques
- non-adherence to prescribed working hours
- failure to provide or delay in providing a banking facility (other than loans and advances) promised in writing by a bank or its direct selling agents
- delays, non-credit of proceeds to parties accounts, non-payment of deposit or non-observance of the Reserve Bank directives, if any, applicable to rate of interest on deposits in any savings, current or other account maintained with a bank
- complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank-related matters
- refusal to open deposit accounts without any valid reason for refusal
- levying of charges without adequate prior notice to the customer
- non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on ATM/Debit card operations or credit card operations
- non-disbursement or delay in disbursement of pension (to the extent the grievance can be attributed to the action on the part of the bank concerned, but not with regard to its employees)
- refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government
- refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities
- forced closure of deposit accounts without due notice or without sufficient reason
- refusal to close or delay in closing the accounts
- non-adherence to the fair practices code as adopted by the bank or non-adherence to the provisions of the Code of Bank's Commitments to Customers issued by Banking Codes and Standards Board of India and as adopted by the bank
- non-observance of Reserve Bank guidelines on engagement of recovery agents by banks and
- Any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.

A customer can also lodge a complaint on the following grounds of deficiency in service with respect to loans and advances

- non-observance of Reserve Bank Directives on interest rates;
- delays in sanction, disbursement or non-observance of prescribed time schedule for disposal of loan applications;
- non-acceptance of application for loans without furnishing valid reasons to the applicant;
- 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;
- 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.
- The Banking Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time.

REGION WISE COMPLAINTS RECEIVED

Offices of the Banking Ombudsman receive and consider complaints from customers relating to the deficiencies in banking services in respect to their territorial jurisdiction. During 2008-09, higher number of complaints were received by the BO Offices in New Delhi(15%), Chennai (15%), Mumbai (14%)and Kanpur (11%) followed by Hyderabad(6%) and Ahmedabad (6%). Percentage wise, Chennai office witnessed the highest increase in the number of complaints (128%). The 15 Offices of the Banking Ombudsman receive and consider complaints from customers relating to the deficiencies in banking services in respect to their territorial jurisdiction.

TABLE 1: REGION WISE COMPLAINTS RECEIVED AT BANKING OMBUDSMAN SCHEME

Offices	Number of Complaints Received									
	2006-07	%	2007-08	%	2008-09	%	2009-10	%	Ave	%
Ahmadabad	2107	5.45	2855	5.96	3732	5.40	4149	5.23	3211	5.47
Bangalore	2406	6.23	2975	6.21	3255	4.71	3854	4.86	3123	5.32
Bhopal	2731	7.07	3402	7.10	3375	4.88	3873	4.89	3345	5.70
Bhubaneswar	689	1.78	998	2.08	1159	1.68	1219	1.54	1016	1.73
Chandigarh	2006	5.19	2331	4.87	2634	3.81	3234	4.08	2551	4.34
Chennai	2387	6.18	4545	9.49	10381	15.02	12727	16.06	7510	12.79
Guwahati	170	0.44	282	0.59	455	0.66	528	0.67	359	0.61
Hyderabad	2767	7.16	2843	5.94	3961	5.73	5622	7.09	3798	6.47
Jaipur	2976	7.70	3369	7.04	3688	5.34	4560	5.75	3648	6.21
Kanpur	4321	11.18	5340	11.15	7776	11.25	7832	9.88	6317	10.76
Kolkata	2011	5.20	2815	5.88	3671	5.31	5326	6.72	3456	5.88
Mumbai	5525	14.30	6070	12.68	9631	13.93	10058	12.69	7821	13.32
New Delhi	5481	14.19	6742	14.08	10473	15.15	12045	15.20	8685	14.79
Patna	1481	3.83	1480	3.09	2110	3.05	1707	2.15	1695	2.89
Thiruvananthapuram	1580	4.09	1840	3.84	2816	4.07	2532	3.19	2192	3.73
Total	38638	100	47887	100	69117	100	79266	100	58727	100

Source: Trend and Progress of Banking, Reserve Bank of India Bulletin, various issues

The complaints received from 2006-07 to 2009-10 have been collected and analyzed with the help of percentage analysis and trend analysis. It is noted from the percentage analysis that the complaints received were high from Mumbai (14.30%) and New Delhi (14.19%) during 2006-07, New Delhi (14.08%) during 2007-08, New Delhi (15.15%) and Chennai (15.02%) during 2008-09, and Chennai (16.06%) and New Delhi (15.20%) during 2009-10. However, on an average, New Delhi tops in ranking with 14.79 percent, which is followed by Mumbai with 13.32 percent and Chennai with 12.79 percent. The offices situated in Guwahati (0.61%), and Bhubaneswar (1.73%) received lesser number of complaints. The position is further explained in the following chart.

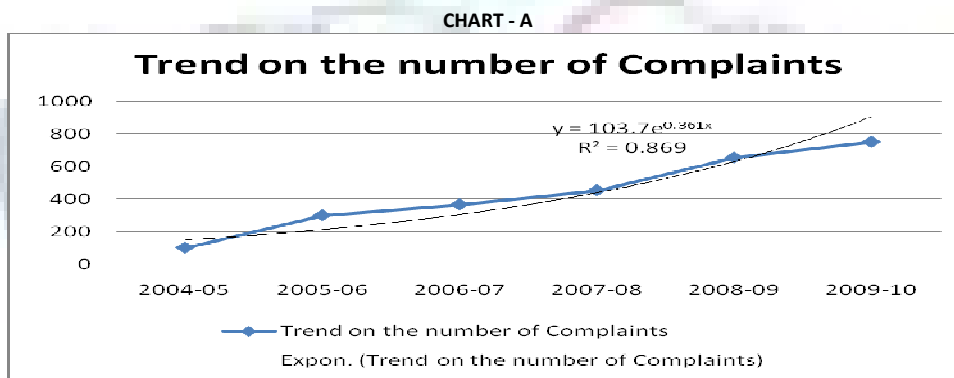
NUMBER OF COMPLAINTS

The number of complaints received has recorded substantial increase since 2006 as new grounds of complaints such as credit card issues, failure in providing the promised facilities, non-adherence to fair practices code and levying of excessive charges without prior notice, etc were included in the Scheme. Further, internet banking related complaints were added as a new ground for complaint as per amendment of the Scheme dated February 3, 2009. Increased awareness among the public about the BOS and online accessibility to BO office through internet also contributed to the increase in receipt of complaints. The Banking Ombudsman Offices receive complaints pertaining to deficiency in service provided by banks. The number of complaints received has increased substantially over the years and this trend is maintained during the year 2009-10 also by recording an increase of 15% over the previous year. There are 15 Banking Ombudsman branch are offices functioning all over India. Average number of complaints received per BO office is also on the increase due to enlargement of the scope of the Scheme coupled with the awareness programmes undertaken by the BO offices on a regular basis. On an average, each BO office handled 5284 complaints during the current year as compared to just 2115 complaints during the year 2005-06, indicating the popularity of the Scheme.

TABLE 2: TREND ON THE COMPLAINTS RECEIVED AT BANKING OMBUDSMAN SCHEME

Year	Number of Complaints	Incremental change	% of change	Trend on the number of Complaints	Average number of Complaints
2004-05	10560	0	0	100	704
2005-06	31732	21172	200	300	2115
2006-07	38638	6906	22	366	2576
2007-08	47887	9249	24	453	3192
2008-09	69117	21230	44	655	4608
2009-10	79266	10149	15	751	5284
Average	46200			438	
Correlation	0.99				

Source: Trend and Progress of Banking, Reserve Bank of India Bulletin, various issues



The incremental change of complaints received over the years under study from 2004-05 to 2009-10 shows that the change is vital during the year 2008-09 to the extent of 44 percent and is lighter during the year 2009-10 to the tune of 15 percent. The trend percentage calculated in this regard is high in the year 2009-10, the growth percentage of the same is 651 percent. The trend line is positive with an exponential growth rate of 36.1 percent and 0.87 as the coefficient of determination. Hence, it is known that the complaints received are growing steadily with an average growth rate of 338 percent with 0.99 as high degree of correlation.

NATURE OF COMPLAINTS

Complaints relating to credit cards comprising 24 % of the total complaints in 2009-10 as compared to 25.5% previous year show a declining trend this year. These complaints include complaints related to debit cards and ATM cards also. The types of card-related complaints consists of items like issuance of unsolicited credit cards and unsolicited insurance policies and recovery of premium charges, charging of annual fee in spite of being offered as 'free' card and issuance of loans over phone, disputes over wrong billing, settlement offers conveyed telephonically, non-settlement of insurance claims after the demise of the card holder, abusive calls, excessive charges, wrong debits to account, non dispensation of money from ATM, etc . A general source of these complaints continues to be the difficulty in accessing the credit card issuers and the poor response from the call centers. Simply put, this is the issue of non-transparency and mis-selling. Complaints under the head 'Others' have constituted 24 % of the total complaints as against 12.4% during the previous year. These include mainly non-adherence to prescribed working hours, refusal to accept or delay in accepting payments towards taxes as required by RBI/ Government of India, refusal to accept/delay in issuing or failure to service or delay in servicing or redemption of Government securities, refusal to close or delay in closing of accounts, etc. These complaints are of very primary in nature and need not had to be escalated to the offices of BOs and should have been redressed at individual banks' level.

TABLE 3: NATURE OF COMPLAINTS RECEIVED BY BANKING OMBUDSMAN SCHEME

Nature of Complaint	Public Sector Banks	Private Sector Banks	Foreign Banks	Scheduled Commercial banks	UCBs/RRBs/ others	Total	%
Deposit accounts	1946	1165	454	3565	116	7246	4.67
Remittances	3358	1873	268	5499	209	11207	7.22
Credit/debit/ATM cards	9550	4725	4258	18533	277	37343	24.06
Loans/advances	4109	1652	395	6156	456	12768	8.23
Charges without prior notice	1939	2009	729	4677	87	9441	6.08
Pension	4577	67	65	4709	122	9540	6.15
Failure on Commitments made	6407	3369	1134	10910	659	22479	14.48
Direct selling agents	657	669	228	1554	55	3163	2.04
Notes and Coins	92	41	20	153	5	311	0.20
Others	7838	6582	3808	18228	612	37068	23.89
Out of subject	1451	401	91	1943	741	4627	2.98
Total Complaints	41924	22553	11450	75927	3339	155193	100

Source: Trend and Progress of Banking, Reserve Bank of India Bulletin, various issues

The nature of complaints received from the bank customers are many and are classified into eleven categories. Among the various types of complaints lodged with the banking Ombudsman Scheme, the complaints regarding Credit cards, debit cards and ATM cards ranks first with 24.06 percent, and other common unspecified complaints ranks next with 23.89 percent. Complaints on notes and coins are very meager comparatively.

TABLE 4: BANK WISE COMPLAINTS RECEIVED BY BANKING OMBUDSMAN SCHEME

Banks	Number of Complaints	%
Public Sector Banks	41924	27
Private Sector Banks	22553	15
Foreign Banks	11450	7
Scheduled Commercial banks	75927	49
UCBs/RRBs/Others	3339	2
Total	155193	100

Source: Trend and Progress of Banking, Reserve Bank of India Bulletin, various issues

The complaints received through Banking Ombudsman Scheme are many. For the purpose of the study, the entire banks are sub divided into Public Sector Banks, Private Sector Banks, Foreign Banks, Scheduled Commercial banks and Urban Cooperative banks, Regional Rural Banks and Others. Among them, the Scheduled Commercial banks receive more complaints to the extent of 49 percent, which is followed by Public Sector Banks (27%), Private Sector Banks (15%), Foreign Banks (7%) and UCBs/RRBs/Others (2%). Hence, it is recommended that the Scheduled Commercial banks should improve the customer services in order to avoid the complaints from the customers.

REGION WISE RECEIPT OF COMPLAINTS

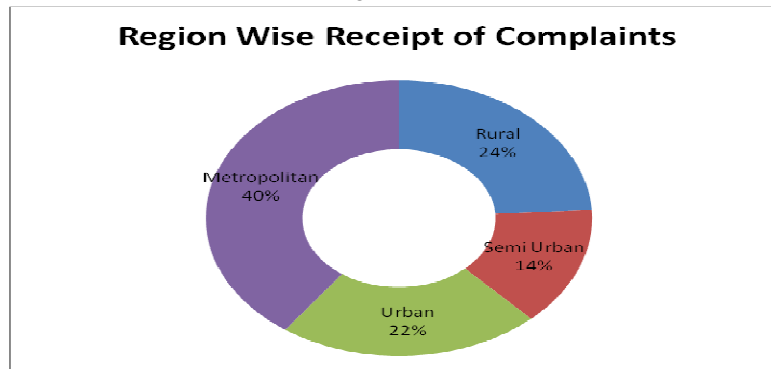
The offices of the Banking Ombudsmen received increasing number of complaints from the public irrespective of the regions. This is a testimony to the success of the awareness efforts undertaken by the Banking Ombudsmen as well as the RBI through personal/village visits, media campaign and the like. The offices of the Banking Ombudsman received maximum number of complaints from rural and metropolitan areas during the year 2009-10. This is a testimony to the success of the awareness efforts undertaken by the Offices of the Banking Ombudsman as well as the RBI Regional Offices through personal/village visits, media campaign etc. During the year, the RBI had celebrated its platinum jubilee and all offices including Central Office Departments had conducted outreach programmes. Further, Top Executives of the Bank had visited very remote and moffusil areas of the country as a part of outreach activity of Platinum Jubilee year celebrations. The detailed region wise position of complaints is given below:

TABLE 5: REGION WISE RECEIPT OF COMPLAINTS

Region	2007-08	%	2008-09	%	2009-10	%	Average	%	% increase
Rural	8418	18	13915	20	25,055	32	15796	24	80
Semi Urban	6641	14	9817	14	10,741	14	9066	14	9
Urban	10978	23	15723	23	16,423	20	14375	22	5
Metropolitan	21850	46	29662	43	27,047	34	26186	40	(-) 9
Total	47,887	100	69,117	100	79,266	100	65,423	100	15

Source: Compiled from the Annual Reports, Banking Ombudsman Scheme

CHART - B



While the number of complaints from rural areas increased by 80 % during the year 2009-10, complaints from the semi-urban areas increased by 9 % only. On the other hand, complaints from the metros had decreased by 9%. These figures can be well compared against the total increase in the number of complaints by 15 %. The complaints from the rural area have increased, Semi Urban constant, Urban decreased and the Metropolitan too decreased. On an average, Metropolitan has the highest position of complaints to the extent of 40 percent, rural by 24 percent, Urban 22 percent and Semi Urban 14 percent.

MODE-WISE RECEIPT OF COMPLAINTS

Complainants can log on to the RBI web site at “www.rbi.org.in” and complain about deficiency in bank’s services by using the online complaint form. The email ids of the Banking Ombudsmen are also available in the public domain and complainants can send emails to them. For those who have no access to internet, complaints can be sent by post. Complaints received are acknowledged and tracked till they are closed in the books of the Office of the Banking Ombudsman. The Complaint Tracking Software in place in the Banking Ombudsman Office gives acknowledgement automatically and complaint number is given as soon as it is taken into the book of the Banking Ombudsman. The Complaint Tracking Software is updated from time to time to meet the changing requirements related to complaints. During the year 2007-08, 2008-09 and 2009-10 the complaints received by different modes are as under:

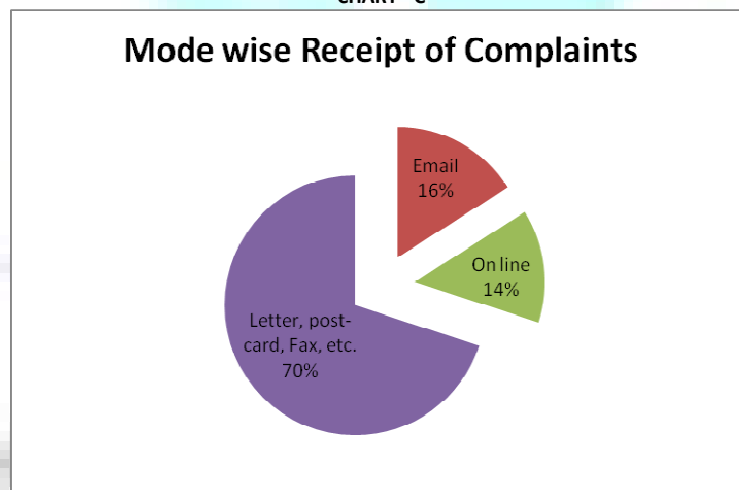
TABLE 6: MODE WISE RECEIPT OF COMPLAINTS AT THE BO OFFICES

Mode	No. of Complaints received during 2007-08		No. of Complaints received during 2008-09		No. of Complaints received during 2009-10		Average	%
	No.	%	No.	%	No.	%		
Email	7183	15	15,927	23	9221	12	10777	16
On line	7662	16	9352	14	11,400	14	9471	14
Letter, post-card, Fax, etc.	33,042	69	43,838	63	58,645	74	45,175	70
Total	47,887	100	69,117	100	79,266	100	65,423	100

Source: Compiled from the Annual Reports, Banking Ombudsman Scheme

Since 46% of the complaints are received from the rural (32%) and semi urban (14%) areas, the receipt of complaints through the postal mode has increased from 63% to 74% during the current year, indicating the less access to internet facilities in the rural/semi urban areas as compared to the urban and metro. Email complaints have decreased from 23 % to 12 % of the total complaints during the year. However, on an average 70 percent of the complaints have been received through Letter, post-card, Fax, etc., 16 percent through Email and 14 percent through On line.

CHART - C



DISPOSAL OF COMPLAINTS

Banking Ombudsman Offices disposed of 94% (83,336) of the 88,699 complaints received during the year 2009-10, as against disposal of 87% of the complaints received during previous year, indicating promptness in disposal of cases at all the BO offices. A brief profile of the complaints disposed of by BO offices during the year is given below:

TABLE 7: DISPOSAL OF COMPLAINTS

Year	Complaints received	Complaints disposed		Complaints carried forward		Trend on Complaints disposed
		No.	%	No.	%	
2004-05	12034	10403	86	1631	14	100
2005-06	33363	27,193	82	6,170	18	261
2006-07	44766	37,661	84	7,105	16	362
2007-08	54992	49,100	89	5,892	11	472
2008-09	75009	65,576	87	9,433	13	630
2009-10	88,699	83,336	94	5,363	6	801
Average	51477	45545	87	5932	13	438
r	0.997					

Source: Compiled from the Annual Reports, Banking Ombudsman Scheme

On an average, out of the total complaints received, 87 percent of the complaints were disposed and only 13 percent have been carried forward to the following year. The trend on the disposal of complaints shows a positive trend with 701 percent growth during the year 2009-10 with the average of 338 percent. The correlation calculated in this respect is highly positive 0.997 which has perfect relationship between complaints received and complaints disposed. Therefore it can be concluded that the redressal mechanism of Banking Ombudsman in India is functioning well with the help of the rules and regulations laid down by the Reserve Bank of India.

FINDINGS

Maximum number of complaints related to credit cards, followed by complaints relating to failure to meet commitments made. A significant number of complaints related to pension payments especially in case of public sector banks and direct selling agents especially for new private sector banks. On an average, New Delhi tops in receiving and lodging complaints from the customers which is followed by Mumbai and Chennai but the offices situated in Guwahati and Bhubaneswar received lesser number of complaints. Whereas the total number of complaints received every year is growing steadily with an average growth rate of 52 percent. Among the various types of complaints lodged with the banking Ombudsman Scheme, the complaints regarding Credit cards, debit cards and ATM cards ranks first with 24.06 percent, and other common unspecified complaints ranks next with 23.89 percent. Complaints on notes and coins are very meager comparatively. The Scheduled Commercial banks receive more complaints to the extent of 49 percent, which is followed by Public Sector Banks (27%), Private Sector Banks (15%), Foreign Banks (7%) and UCBs/RRBs/Others (2%). Metropolitan has the highest position of complaints to the extent of 40 percent, rural by 24 percent, Urban 22 percent and Semi Urban 14 percent, 70 percent of the complaints have been received through Letter, post-card, Fax, etc., 16 percent through Email and 14 percent through On line. Out of the total complaints received, 87 percent of the complaints were disposed and only 13 percent have been carried forward to the following year which speaks volume of the successful functioning of the redressal mechanism of the banks.

CONCLUSION

Making banks more customer-friendly has been high on the agenda of the Reserve Bank. Accordingly, a number of steps have been taken towards enhancing financial literacy and strengthening channels of information dissemination relating to banking services to customers. A full-fledged Customer Service Department was set up in 2006 by the Reserve Bank to enhance the pace and quality of provision of customer services, while providing customers a forum for redressal of their grievances. Banking Ombudsman (BO) offices receive the complaints from general public relating to their grievances against commercial banks, regional rural banks and scheduled primary co-operative banks. Complainants have the facility to send the complaints by email, online or by post. These complaints are tracked by BO offices by means of a complaint tracking software. It is inferred from the analysis that the redressal mechanism is functioning well in adhering to the needs of the customers with speedy disposal of complaints. Hence, on the basis of the analysis it is strongly recommended that the Scheduled Commercial banks should improve the customer services in order to avoid the complaints from the customers. More awareness can also be created among the general public with regards to the grievance cell and its functioning.

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