

Approach to Resolving Complaints

Banking Ombudsman Scheme



Why do complaints arise?

Challenges today in banking

Banking services

- changes in the way service is delivered

- Multiple agencies

- shifting loyalties of staff and customers

- Risks of frauds

Delivery channels

- New channels pose challenges as well as opportunities

Demanding customers

Financial inclusion

Technology and customer mismatch

Categories of complaints and resolutions possible

- ▶ **Nature of deficiencies listed under the scheme**
- ▶ **Possible solutions**
 - Amicable settlement
 - Award
 - Implementing the Award
 - Implications of not implementing the Award
 - Rejection
 - categories of rejection
 - Process of Appeal
 - Decision of the Appellate Authority
 - What happens next?

Procedure for resolving issues and complaints

▶ **References for BO**

- Handbook of procedure
- Regulatory instructions from RBI
- IBA Model Compensation Policies
- Bank'
- BCSBI Code of Commitments– Customers and for MSME

▶ **Principles of Natural Justice**

▶ **Summary process**

- Implications
- Approach
- Non judicial process as ADR

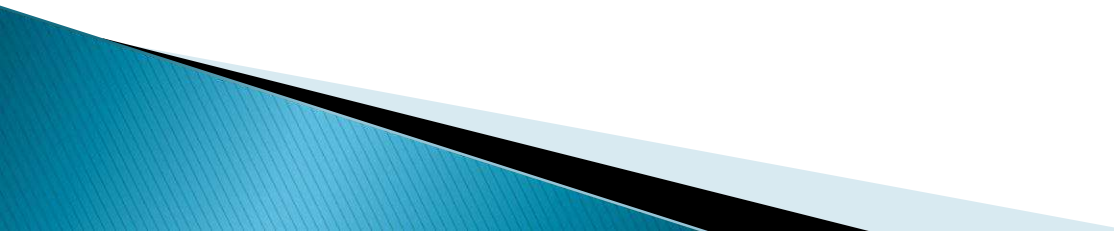
▶ **Personal hearing**

▶ **Issue of Orders**

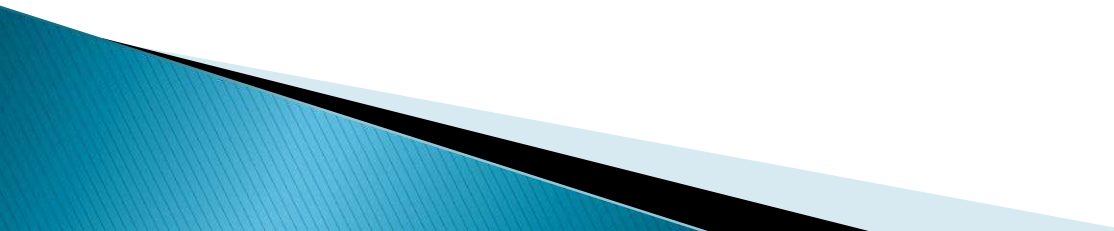
Types of complaints and resolutions offered

- ▶ **Broad categories of complaints**
 - **ATM Debit card**
 - **Credit Cards**
 - **Net Banking**
 - **Cheques for collection**
 - **Service charges**
 - **Home Loans**
 - **Pensions**
 - **Remittances**
 - **CIBIL reporting**
 - **Other issues**
 - Misbehaviour
 - Sanction of loans
 - Exchange of notes

ATM cum Debit card

- ▶ Failed transactions
 - ▶ Card not used
 - ▶ Card used no money dispensed but account debited
 - ▶ ATM used , cash dispensed partially
 - ▶ Use of ATM for POS transactions
 - ▶ Issue of pure ATM cards
 - ▶ Compensation for failed transactions
 - ▶ Availability of CCTV footage
- 

Credit Cards

- ▶ Credit card account debited when not used
 - ▶ Charges levied for transactions not done
 - ▶ Balance transfer rates
 - ▶ Misuse of cards
 - ▶ Use of cards for net based transactions
 - ▶ Use of cards for overseas transactions
 - ▶ Charges for upgrading of cards
 - ▶ Grant of rewards for use of cards
- 

Net Banking

- ▶ Fraudulent Remittances using net banking
 - Small value multiple debits
 - Siphoning of monies from the account
- ▶ Not granting Access for net banking

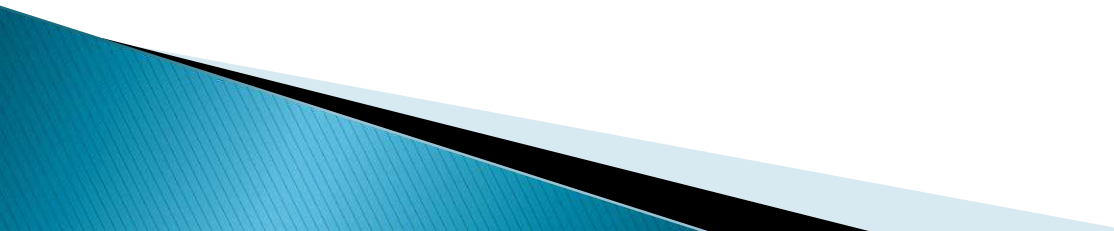
Cheques for collection

- ▶ Theft of cheques and fraudulent encashment
 - Case studies from our Reports
 - Determining the liability– Approach taken by the office

Service charges

- ▶ AQB and AMB charges
- ▶ Changes in the charges without proper notice
- ▶ What constitutes proper notice
 - As per Bank's procedure
 - As per BCSBI Code of Commitments

Home Loans

- ▶ Fixed rate vs Floating rate
 - ▶ Prepayment penalties
 - ▶ Change in Margins
 - ▶ Other issues
 - ▶ Number of Instalments vs Amount of Instalment
- 

**Pensions
Remittances**

CIBIL reporting

Other issues

- ▶ Misbehaviour
- ▶
Sanction of loans
- ▶
Exchange of notes
- ▶

Prevention

- Procedures followed by banks
 - Prescriptions by the regulators
 - Customer education
- 