



ARYAVART BANK
HEAD OFFICE,
A-2/46, VIJAY KHAND, GOMTI NAGAR, LUCKNOW

THE BANKING OMBUDSMAN SCHEME, 2006

The Scheme is introduced with the object of enabling resolution of complaints relating to certain services rendered by Banks and to facilitate the satisfaction or settlement of such complaints.

CHAPTER I

PRELIMINARY

1. SHORT TITLE, COMMENCEMENT, EXTENT AND APPLICATION

- (1) This Scheme may be called the Banking Ombudsman Scheme, 2006.
- (2) It shall come into force on such date as the Reserve Bank may specify.
- (3) It shall extend to the whole of India.
- (4) The Scheme shall apply to the business in India of a Bank as defined under the Scheme.

2. SUSPENSION OF THE SCHEME

- (1) The Reserve Bank, if it is satisfied that it is expedient so to do, may by order suspend for such period as may be specified in the order, the operation of all or any of the provisions of the Scheme, either generally or in relation to any specified Bank.
- (2) The Reserve Bank may, by order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it thinks fit.

3. DEFINITIONS

- (1) 'award' means an award passed by the Banking Ombudsman in accordance with the Scheme.
- (2) 'Appellate Authority' means the Deputy Governor in charge of the Department of the Reserve Bank implementing the Scheme.
- (3) 'authorized representative' means a person duly appointed and authorized by a complainant to act on his behalf and represent him in the proceedings under the Scheme before a Banking Ombudsman for consideration of his complaint.
- (4) 'Banking Ombudsman' means any person appointed under Clause 4 of the Scheme.
- (5) 'bank' means a 'banking company', a 'corresponding new bank', a 'Regional Rural Bank', 'State Bank of India' a 'Subsidiary Bank' as defined in Section 5 of the Banking Regulation Act, 1949 (Act 10 of 1949), or a 'Primary Co-operative Bank' as defined in clause (c) of Section 56 of that Act and included in the Second Schedule of the

Reserve Bank of India Act, 1934 (Act 2 of 1934), having a place of business in India, whether such bank is incorporated in India or outside India.

- (6) '**complaint**' means a representation in writing or through electronic means containing a grievance alleging deficiency in banking service as mentioned in clause 8 of the Scheme.
- (7) '**Reserve Bank**' means the Reserve Bank of India constituted by Section 3 of the Reserve Bank of India Act, 1934 (2 of 1934).
- (8) 'the Scheme' means the Banking Ombudsman Scheme, 2006.
- (9) '**secretariat**' means the office constituted as per sub-clause (1) of clause 6 of the Scheme.
- (10) '**settlement**' means an agreement reached by the parties either by conciliation or mediation under clause 11 of the Scheme.

CHAPTER II

ESTABLISHMENT OF OFFICE OF BANKING OMBUDSMAN

4. APPOINTMENT & TENURE

- (1) The Reserve Bank may appoint one or more of its officers in the rank of Chief General Manager or General Manager to be known as Banking Ombudsman to carry out the functions entrusted to them by or under the Scheme.
- (2) The appointment of Banking Ombudsman under the above Clause may be made for a period not exceeding three years at a time.

5. LOCATION OF OFFICE AND TEMPORARY HEADQUARTERS

- (1) The office the Banking Ombudsman shall be located at such places as may be specified by the Reserve Bank.
- (2) In order to expedite disposal of complaints, the Banking Ombudsman may hold sittings as such places within his area of jurisdiction as may be considered necessary and proper by him in respect of a complaint or reference before him.

6. SECRETARIAT

- (1) The Reserve Bank shall depute such number of its officers or other staff to the office of the Banking Ombudsman as is considered necessary to function as the secretariat of the Banking Ombudsman.
- (2) The cost of the Secretariat shall be borne by the Reserve Bank.

CHAPTER III

JURISDICTION, POWERS AND DUTIES OF BANKING OMBUDSMAN

7. POWERS AND JURISDICTION

- (1) The Reserve Bank shall specify the territorial limits to which the authority of each Banking Ombudsman appointed under Clause 4 of the Scheme shall extend.
- (2) The Banking Ombudsman shall receive and consider complaints relating to the deficiencies in banking or other services filed on the grounds mentioned in clause 8 and facilitate their satisfaction or settlement by agreement or through conciliation and meditation between the bank concerned and the aggrieved parties or by passing an Award in accordance with the Scheme.

- (3) The Banking Ombudsman shall exercise general powers of superintendence and control over his Office and shall be responsible for the conduct of business thereat.
- (4) The Office of the Banking Ombudsman shall draw up an annual budget for itself in consultation with Reserve Bank and shall exercise the powers of expenditure within the approved budget on the lines of Reserve Bank of India Expenditure Rules, 2005.
- (5) The Banking Ombudsman shall send to the Governor, Reserve Bank, a report, as on 30th June every year, containing a general review of the activities of his Office during the preceding financial year and shall furnish such other information as the Reserve Bank may direct and the Reserve Bank may, if it considers necessary in the public interest so to do, publish the report and the information received from the Banking Ombudsman in such consolidated form or otherwise as it deems fit.

CHAPTER IV

PROCEDURE FOR REDRESSAL OF GRIEVANCE

8. GROUNDS OF COMPLAINT

- (1) A complaint on any one of the following grounds alleging deficiency in banking or other services may be filed with the Banking Ombudsman having jurisdiction:
 - (a) non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
 - (b) non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
 - (c) non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
 - (d) non-payment or delay in payment of inward remittances;
 - (e) failure to issue or delay in issue of drafts, pay others or bankers' cheques;
 - (f) non-adherence to prescribed working hours;
 - (g) failure of honour guarantee or letter of credit commitments;
 - (h) 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;
 - (i) 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;
 - (j) delays in receipt of export proceeds, handling of export bills, collection of bills etc., for exporters provided the said complaints pertain to the bank's operations in India;
 - (k) complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank-related matters;
 - (l) refusal to open deposit accounts without any valid reason for refusal;
 - (m) levying of charges without adequate prior notice to the customer;
 - (n) non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on ATM/Debit card operations or credit card operations:
 - i. Account debited but cash not dispensed by ATMs
 - ii. Account debited more than once for one withdrawal in ATMs or for POS transaction
 - iii. Less / Excess amount of cash dispensed by ATMs
 - iv. Debit in account without use of the card or details of the card
 - v. Use of stolen/cloned cards
 - vi. Others

- (o) 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 regards to its employees);
 - (p) refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank / Government;
 - (q) refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities;
 - (r) forced closure of deposit accounts without due notice or without sufficient reason;
 - (s) refusal to close or delay in closing the accounts;
 - (t) non-adherence to the fair practices code as adopted by the bank; and
 - (u) any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.
 - (v) non-observance of Reserve Bank guidelines on para-banking activities like sale of insurance/mutual fund/other third party investment products by banks with regards to following :
 - i. improper, unsuitable sale of third party financial products
 - ii. non-transparency/ lack of adequate transparency in sale
 - iii. non-disclosure of grievance redressal mechanism available
 - iv. delay or refusal to facilitate after sales service by banks
 - (w) non-observance of Reserve Bank guidelines on engagement of recovery agents by Banks
- (2) 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 applications for loans without furnishing valid reasons to the applicant; and
 - (d) 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;
 - (e) non-observance of Reserve Bank guidelines on engagement of recovery agents by Banks,
 - (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.
- (3) The Banking Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time in this behalf;

9. PROCEDURE FOR FILING COMPLAINT

- (1) Any person who has grievance against a bank on any one or more of the grounds mentioned in Clause 8 of the Scheme may, himself or through his authorized representative (other than an advocate), make a complaint to the Banking Ombudsman within whose jurisdiction the branch or office of the bank complained against is located.

Provided that a complaint arising out of the operations of credit cards, shall be filed before the Banking Ombudsman within whose territorial jurisdiction the billing address of the card holder is located and not the place where the bank concerned or the credit card processing unit is located.

- (2) (a) The complaint in writing shall be duly signed by the complainant or his authorized representative and shall be, as far as possible, in the form specified in Annexure 'A' or as near as thereto as circumstances admit, stating clearly:
- (i) the name and the address of the complainant;
 - (ii) the name and address of the branch or office of the bank against which the complaint is made,
 - (iii) the facts giving rise to the complaint,
 - (iv) the nature and extent of the loss caused to the complainant, and
 - (v) the relief sought for.
- (b) The complainant shall file along with the complaint, copies of the documents, if any, which he proposes to rely upon and a declaration that the complaint is maintainable under sub-clause (3) of this clause.
- (c) A complaint made through electronic means shall also be accepted by the Banking Ombudsman and a print out of such complaint shall be taken on the record of the Banking Ombudsman.
- (d) The Banking Ombudsman shall also entertain complaint covered by this Scheme received by Central Government or Reserve Bank and forwarded to him for disposal.
- (3) No complaint to the Banking Ombudsman shall lie unless:-
- (a) the complainant had, before making a complaint to the Banking Ombudsman, made a written representation to the bank and the bank had rejected the complaint or the complainant had not received any reply within a period of one month after the bank received his representation or the complainant is not satisfied with the reply given to him by the bank;
 - (b) the complaint is made not later than one year after the complainant has received the reply of the bank to his representation or, where no reply is received, not later than one year and one month after the date of the representation to the bank;
 - (c) the complaint is not in respect of the same subject matter which was settled or dealt with on merits by the Banking Ombudsman in any previous proceedings whether or not received from the same complainant or along with one or more complainants or one or more of the parties concerned with the subject matter;
 - (d) the complaint does not pertain to the same subject matter, for which any proceeding before any court, tribunal or arbitrator or any other forum is pending or a decree or Award or order has been passed by any such court, tribunal, arbitrator or forum;
 - (e) the complaint is not frivolous or vexatious in nature; and
 - (f) the complaint is made before the expiry of the period of limitation prescribed under the Indian Limitation Act, 1963 for such claims.

10. POWER TO CALL FOR INFORMATION

- (1) For the purpose of carrying out his duties under this Scheme, a Banking Ombudsman may require the bank against whom the complaint is made or any other bank concerned with the complaint to provide any information or furnish certified copies of any document relating to the complaint which is or is alleged to be in its possession.

Provided that in the event of the failure of a bank to comply with the requisition without sufficient cause, the Banking Ombudsman may, if he deems fit, draw the

inference that the information if provided or copies if furnished would be unfavourable to the bank.

- (2) The Banking Ombudsman shall take into account the evidence placed before him by the parties, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors which in his opinion are relevant to the complaint.
- (3) The award shall state briefly the reasons for passing the award.
- (4) The award passed under sub-clause (1) shall specify the amount, if any, to be paid by the bank to the complainant by way of compensation for the loss suffered by him and may contain any direction to the bank.
- (5) Notwithstanding anything contained in sub-clause (4), the Banking Ombudsman shall not have the power to pass an award directing payment of an amount which is more than the actual loss suffered by the complainant as a direct consequence of the act of omission or commission of the bank, or twenty lakh rupees whichever is lower.
- (6) In the case of complaints arising out of credit card operations, the Banking Ombudsman shall, while determining the amount of compensation payable, take into account the loss of the complainant's time, expenses incurred by the complainant, financial loss, harassment and mental anguish suffered by the complainant.
- (7) A copy of the Award shall be sent to the complainant and the bank.
- (8) An Award shall not be binding on a bank against which it is passed unless the complainant furnishes to it, within a period of 15 days from the date of receipt of copy of the Award, a letter of acceptance of the Award in full and final settlement of his claim in the matter. If the complainant does not accept the Award passed by the Banking Ombudsman or fails to furnish his letter of acceptance within the said period of 15 days or within such further time not exceeding a period of fifteen days that may be granted by the Banking Ombudsman, the Award shall lapse and not be of on effect.
- (9) The bank shall within one month from the date of receipt by it of the acceptance in writing of the complainant under sub-clause (8), or within such time not exceeding a period of fifteen days that may be granted by the Banking Ombudsman, comply with the Award and intimate compliance to the Banking Ombudsman.

13. REJECTION OF THE COMPLAINT

- (1) The Banking Ombudsman may reject a complaint at any stage if it appears to him that the complaint made is:
 - (a) frivolous, vexatious, malafide; or
 - (b) without any sufficient cause; or
 - (c) that it is not pursued by the complainant with reasonable diligence; or
 - (d) in the opinion of the Banking Ombudsman there is no loss or damage or inconvenience caused of the complainant; or

(e) beyond the pecuniary jurisdiction of Banking Ombudsman prescribed under clause 12(5).

(2) The Banking Ombudsman may reject a complaint at any stage if after consideration of the complaint and evidence produced before him the Banking Ombudsman is of the opinion that the nature of the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before the Banking Ombudsman are not appropriate for adjudication of such complaint. The decision of the Banking Ombudsman in this regard shall be final and binding on the complainant and the bank.

14. APPEAL BEFORE THE APPELLATE AUTHORITY:

(1) Any person aggrieved by the Award may, within 45 days of the date of receipt of the Award, prefer an appeal against the Award before the Appellate Authority;

Provided that the Appellate may, if he is satisfied that the applicant had sufficient cause for not making the appeal within time, allow a further period not exceeding 30 days;

Provided further that the appeal may be filed by the bank only with the previous sanction of the Chairman or, in his absence, the Managing Director or the Executive Director or the Chief Executive Officer or any other officer of equal rank.

(2) The Appellate Authority shall, after giving the parties a reasonable opportunity of being heard

(a) dismiss the appeal; or

(b) allow the appeal and set aside the Award; or

(c) remand the matter to the Banking Ombudsman for fresh disposal in accordance with such directions as the Appellate Authority may consider necessary or proper; or

(d) modify the Award and pass such directions as may be necessary to give effect to the Award so modified; or

(e) pass any other order as it may deem fit.

(3) The order of the Appellate Authority shall have the same effect as the Award passed by Banking Ombudsman under clause 12 or the order rejecting the complaint under clause 13, as the case may be.

15. BANKS TO DISPLAY SALIENT FEATURES OF THE SCHEME FOR COMMON KNOWLEDGE OF PUBLIC.

(1) The banks covered by the Scheme shall ensure that the purpose of the Scheme and the name and address of the Banking Ombudsman to whom the complaints are to be made by the aggrieved party are displayed prominently in all the offices and branches of the bank in such manner that a person visiting the office or branch has adequate information of the Scheme.

(2) The bank covered by the Scheme shall ensure that a copy of the Scheme is available with the designated officer of the bank for perusal in the office premises of the bank if anyone desires to do so and notice about the availability of the Scheme with such

designated officer shall be displayed along with the notice under sub-clause (1) of this clause.

- (3) The banks covered by the Scheme shall appoint Nodal Officers at their Regional / zonal Offices and inform the respective Offices of the Banking Ombudsman under whose jurisdiction the Regional / zonal Offices falls. The Nodal Officer so appointed shall be responsible for representing the bank and furnishing information to the Banking Ombudsman in respect of complaints filed against the bank.

CHAPTER V

MISCELLANEOUS

16. REMOVAL OF DIFFICULTIES

If any difficulty arises in giving effect to the provisions of this Scheme, the Reserve Bank may make such provisions not in consistent with the Banking Regulation Act, 1949 or the Scheme, as it appears to it to be necessary or expedient for removing the difficulty.

17. APPLICATION OF THE BANKING OMBUDSMAN SCHEMES, 1995 AND 2002

The adjudication of pending complaints and execution of the Awards already passed, before coming into force of the Banking Ombudsman Scheme, 2006, shall continue to be governed by the provisions of the respective Banking Ombudsman Schemes and instructions of the Reserve Bank issued there under.

CHAPTER VI

18. INTERNAL OMBUDSMAN (Chief Customer Service Officer)

As per extant guidelines of RBI vide circular No. FIDD.CO.FLC.No.163/12.01.007/2015-16 dated 06.07.2015 the Bank is required to appoint an Internal Ombudsman designated as Chief Customer Service Officer (CCSO). In our Bank the General Manager, HO, P&MIS Department will be the Chief Customer Service Officer (CCSO).

19. Review of Policy

The policy may be reviewed comprehensively at least once in a year

(Vipul Awasthi)
Chief Manager, P&MIS Deptt.

(Ranjit Singh)
General Manager

Annexure 'A'

**FORM OF COMPLAINT (TO BE LODGED) WITH THE BANKING OMBUDSMAN
(FOR OFFICE USE ONLY)**

Complaint No. of year Date.....

(TO BE FILLED BY THE COMPLAINANT)

To
The Banking Ombudsman
(*Territorial Jurisdiction,
Place of The BO's office.....)

Dear Sir,

Sub.: Complaint against (Name of the bank's branch) of
..... (Name of the bank)

Being aggrieved the complainant named herein has submitted a complaint with the above referred bank. Details of the complaint are as under:

1. **NAME OF THE COMPLAINANT**
2. **FULL ADDRESS OF THE COMPLAINANT** -----

PIN CODE -----
PHONE NO. / FAX NO. -----
3. **COMPLAINT AGAINST (NAME AND FULL ADDRESS OF THE BRANCH / BANK)** -----

PIN CODE -----
PHONE NO. / FAX NO. -----

4. **PARTICULARS OF BANK ACCOUNT**
(Please state nature of account viz. Savings bank / current / cash credit / term deposit / loan account etc. related to the subject matter of the complaint being made)
.....

5. (a) **DATE OF REPRESENTATION BY THE COMPLAINANT TO THE BANK.**
- (Please enclose three copies of the representation)
- (b) **Whether any reminder was sent by the complainant ? YES / NO**
(If yes, please enclose three copies of the reminder)

6. SUBJECT MATTER OF THE COMPLAINT (Please refer to Clause 8 of the Scheme)

7. DETAILS OF THE COMPLAINT

(If space is not sufficient Please enclose separate sheet)

8. (a) Whether any reply (Within a period of one month after the bank concerned receive the representation) has been received? YES / NO
(If yes, please enclose 'three copies' of the bank's reply)
- (b) Whether the representation has been rejected? YES / NO
(If yes, please enclose 'three copies' of the bank's letter)
- (c) Whether the complainant has received any other final decision of the bank? YES / NO
(If yes, please enclose 'three copies' of the bank's letter conveying its final decision)

9. NATURE OF RELIEF SOUGHT FROM THE BANKING OMBUDSMAN

(Please enclose 'three copies' of documentary proof, if any, in support of your claim)

10. NATURE AND EXTENT OF MONETARY LOSS, IF ANY, CLAIMED BY THE COMPLAINANT BY WAY OF COMPENSATION Rs.....

(Please enclose documentary proof, if any, to show that such loss is actual loss caused as a direct consequence of alleged omission or commission of the bank)

11. LIST OF DOCUMENTS ENCLOSED

(Please enclose 'three copies' of all the documents)

12. DECLARATION

1. I / We, the complainant/s herein declare that:
 - (a) the information furnished herein above is true and correct; and
 - (b) I / We have not concealed or misrepresented any fact stated in aforesaid columns and the documents submitted herewith.
2. The complaint is filed before expiry of period of one year reckoned in accordance with the provisions of Clause 9(3) (a) and (b) of the Scheme.
3. (a) The subject matter of the present complaint has never been brought before the Office of the Banking Ombudsman by me/ or by any one of us or by any of the parties concerned with the subject matter to the best of my/ our knowledge.
(b) The subject matter of the present complaint is not in respect of the same which was settled through the Office of the Banking Ombudsman in any previous proceedings.

(c) The subject matter of the present complaint has not been decided by any forum/court/arbitrator.

4. I/ We authorize the bank to disclose any such information/ documents furnished by us to the Banking Ombudsman and disclosure whereof in the opinion of the Banking Ombudsman is necessary and is required for redressal of any other complaint or our complaint.
5. I/ We have noted the contents of the Banking Ombudsman Scheme, 2006.

Yours faithfully,

(Signature of Complainant)

NOMINATION - (If the complainant wants to nominate his representative to appear and make submissions on his behalf before the Banking Ombudsman or to the Office of the Banking Ombudsman, the following declaration should be submitted.)

I/ We the above named complaint/s hereby nominate Sri/Smt
Who is not an Advocate and whose address is as my/our REPRESENTATIVE
in all proceedings of this complaint and confirm that any statement, acceptances or rejection
made by him/her shall be binding on me/us. He/She has signed below in my presence.

ACCEPTED

(Signature of Representative)

(Signature of Complainant)