

**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





mediation 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 30<sup>th</sup> 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 orders 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



