

DEPUTY GOVERNOR

**Reserve Bank of India
Mumbai**

Reserve Bank - Integrated Ombudsman Scheme, 2021

NOTIFICATION

Ref. CEPD. PRD. No. /13.01.001/2021-22

November 12, 2021

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007), and in supersession of its Notifications Ref. (i) CEPD. PRS. No. 6317 /13.01.01/2016-17 dated June 16, 2017; (ii) CEPD. PRS. No. 3590 /13.01.004/2017-18 dated February 23, 2018; and (iii) CEPD. PRS. No. 3370 /13.01.010/2018-19 dated January 31, 2019, the Reserve Bank of India, being satisfied that it is in public interest to do so, and to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it, hereby integrates the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme).

2. The Scheme covers the following regulated entities:

- i. all Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Co-operative Banks and Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above as on the date of the audited balance sheet of the previous financial year;
- ii. all Non-Banking Financial Companies (excluding Housing Finance Companies) which (a) are authorised to accept deposits; or (b) have customer interface, with an assets size of Rupees 100 crore and above as on the date of the audited balance sheet of the previous financial year;
- iii. all System Participants as defined under the Scheme.

3. The regulated entities shall comply with the Scheme from the date of its implementation.

4. The format for filing a complaint under the Scheme is **annexed**.

5. The Scheme shall come into force from November 12, 2021.

(Name)

THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

A Scheme for resolving customer grievances in relation to services provided by entities regulated by Reserve Bank of India in an expeditious and cost-effective manner under Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007).

CHAPTER I

PRELIMINARY

1. Short Title, Commencement, Extent and Application

- (1) This Scheme may be called the Reserve Bank - Integrated Ombudsman Scheme, 2021.
- (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 services provided by a Regulated Entity in India to its customers under the provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and the Payment and Settlement Systems Act, 2007.

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 clauses of the Scheme, either generally or in relation to any specified Regulated Entity.
- (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 may deem fit.

3. Definitions

- (1) In the Scheme, unless the context otherwise requires:
 - (a) "Appellate Authority" means the Executive Director in-Charge of the Department of the Reserve Bank administering the Scheme;
 - (b) "Appellate Authority Secretariat" means the Department in the Reserve Bank which is administering the Scheme;

(c) “Authorised Representative” means a person, other than an advocate, duly appointed and authorised in writing to represent the complainant in the proceedings before the Ombudsman;

(d) “Award” means an award passed by the Ombudsman in accordance with the Scheme;

(e) “bank” means a ‘banking company’, a ‘corresponding new bank’, a ‘Regional Rural Bank’, ‘State Bank of India’ as defined in the Banking Regulation Act, 1949, a ‘co-operative bank’ as defined in Section 56 (c) of the Banking Regulation Act, 1949 to the extent not excluded under the Scheme, but does not include a bank in resolution or winding up or under directions or any other bank as specified by the Reserve Bank;

(f) “Complaint” means a representation in writing or through other modes alleging deficiency in service on the part of a Regulated Entity, and seeking relief under the Scheme;

(g) “Deficiency in service” means a shortcoming or an inadequacy in any financial service, which the Regulated Entity is required to provide statutorily or otherwise, which may or may not result in financial loss or damage to the customer;

(h) “Deputy Ombudsman” means any person appointed by the Reserve Bank as such under the Scheme;

(i) “Non-Banking Financial Company” (NBFC) means an NBFC as defined in Section 45-I (f) of the Reserve Bank of India Act, 1934 and registered with the Reserve Bank, to the extent not excluded under the Scheme, but does not include a Core Investment Company (CIC), an Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC), a Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC), a company in resolution or winding up/liquidation, or any other NBFC specified by the Reserve Bank;

Explanation: The terms CIC and IDF-NBFC shall have the same meaning assigned to them under the RBI Directions.

(j) “Regulated Entity” means a bank or a Non-Banking Financial Company or a System Participant as defined in the Scheme, or any other entity as may be specified by the Reserve Bank from time to time; to the extent not excluded under the Scheme;

(k) "Settlement" means an agreement reached by the parties to the complaint by facilitation or conciliation or mediation, as per the provisions of this Scheme;

(l) "System Participant" means a person other than the Reserve Bank and a System Provider, participating in a payment system as defined in the Payment and Settlement Systems Act, 2007;

(m) "System Provider" means and includes a person who operates an authorised payment system as defined in Section 2 of the Payment and Settlement Systems Act, 2007;

(n) "The Reserve Bank" means Reserve Bank of India constituted under Section 3 of the Reserve Bank of India Act, 1934.

(2) Words and expressions used and not defined in the Scheme, but defined in the Reserve Bank of India Act, 1934, or in the Banking Regulation Act, 1949, or in the Payment and Settlement Systems Act, 2007 or in the Regulations or guidelines or Directions issued by the Reserve Bank in exercise of its powers conferred by the Acts referred to herein above, shall have the meanings respectively assigned to them.

CHAPTER II

OFFICES UNDER THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

4. Appointment and Tenure of Ombudsman and Deputy Ombudsman

- (1) The Reserve Bank may appoint one or more of its officers as Ombudsman and Deputy Ombudsman, to carry out the functions entrusted to them under the Scheme.
- (2) The appointment of Ombudsman or the Deputy Ombudsman, as the case may be, shall be made for a period not exceeding three years at a time.

5. Location of the Office of the Ombudsman

- (1) The offices of the Ombudsman shall be at such places as may be specified by the Reserve Bank.
- (2) In order to expedite disposal of the complaints, the Ombudsman may hold sittings at such places and in such manner as may be considered necessary and proper in respect of a complaint.

6. Establishment of a Centralised Receipt and Processing Centre

- (1) The Reserve Bank shall establish the Centralised Receipt and Processing Centre at any place as may be decided by it to receive the complaints filed under the Scheme and process them.
- (2) The complaints under the Scheme made online shall be registered on the portal (<https://cms.rbi.org.in>). Complaints in electronic mode (E-mail) and physical form, including postal and hand-delivered complaints, shall be addressed and sent to the place where the Centralised Receipt and Processing Centre of the Reserve Bank is established, for scrutiny and initial processing.

Provided that the complaints that are received directly in any of the offices of the Reserve Bank shall be forwarded to the Centralised Receipt and Processing Centre for further action.

7. Staffing of the Offices of Ombudsman and Centralised Receipt and Processing Centre

The Reserve Bank shall ensure that the offices of the Ombudsman and the Centralised Receipt and Processing Centre are adequately staffed and shall bear the cost thereof.

CHAPTER III

POWERS AND FUNCTIONS OF THE OMBUDSMAN

8. Powers and Functions

(1) The Ombudsman/Deputy Ombudsman shall consider the complaints of customers of Regulated Entities relating to deficiency in service.

(2) There is no limit on the amount in a dispute that can be brought before the Ombudsman for which the Ombudsman can pass an Award. However, for any consequential loss suffered by the complainant, the Ombudsman shall have the power to provide a compensation up to Rupees 20 lakh, in addition to, up to Rupees One lakh for the loss of the complainant's time, expenses incurred and for harassment/mental anguish suffered by the complainant.

(3) While the Ombudsman shall have the power to address and close all complaints, the Deputy Ombudsman shall have the power to close those complaints falling under clause 10 of the Scheme and complaints settled through facilitation as stated under clause 14 of the Scheme.

(4) The Ombudsman shall send to the Deputy Governor, Reserve Bank of India, a report, as on March 31st every year, containing a general review of the activities of the office during the preceding financial year, and shall furnish such other information as the Reserve Bank may direct.

(5) The Reserve Bank may, if it considers necessary in the public interest to do so, publish the report and the information received from the Ombudsman in such consolidated form or otherwise, as it may deem fit.

CHAPTER IV

PROCEDURE FOR REDRESSAL OF GRIEVANCE UNDER THE SCHEME

9. Grounds of Complaint

Any customer aggrieved by an act or omission of a Regulated Entity resulting in deficiency in service may file a complaint under the Scheme personally or through an authorised representative as defined under clause 3(1)(c).

10. Grounds for non-maintainability of a Complaint

(1) No complaint for deficiency in service shall lie under the Scheme in matters involving:

- (a) commercial judgment/commercial decision of a Regulated Entity;
- (b) a dispute between a vendor and a Regulated Entity relating to an outsourcing contract;
- (c) a grievance not addressed to the Ombudsman directly;
- (d) general grievances against Management or Executives of a Regulated Entity;
- (e) a dispute in which action is initiated by a Regulated Entity in compliance with the orders of a statutory or law enforcing authority;
- (f) a service not within the regulatory purview of the Reserve Bank;
- (g) a dispute between Regulated Entities; and
- (h) a dispute involving the employee-employer relationship of a Regulated Entity.

(2) A complaint under the Scheme shall not lie unless:

- (a) the complainant had, before making a complaint under the Scheme, made a written complaint to the Regulated Entity concerned and -
 - (i) the complaint was rejected wholly or partly by the Regulated Entity, and the complainant is not satisfied with the reply; or the complainant had not received any reply within 30 days after the Regulated Entity received the complaint; and
 - (ii) the complaint is made to the Ombudsman within one year after the complainant has received the reply from the Regulated Entity to the

complaint or, where no reply is received, within one year and 30 days from the date of the complaint.

- (b) the complaint is not in respect of the same cause of action which is already-
 - (i) pending before an Ombudsman or settled or dealt with on merits, by an Ombudsman, whether or not received from the same complainant or along with one or more complainants, or one or more of the parties concerned;
 - (ii) pending before any Court, Tribunal or Arbitrator or any other Forum or Authority; or, settled or dealt with on merits, by any Court, Tribunal or Arbitrator or any other Forum or Authority, whether or not received from the same complainant or along with one or more of the complainants/parties concerned;
- (c) the complaint is not abusive or frivolous or vexatious in nature;
- (d) the complaint to the Regulated Entity was made before the expiry of the period of limitation prescribed under the Limitation Act, 1963, for such claims;
- (e) the complainant provides complete information as specified in clause 11 of the Scheme;
- (f) the complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Explanation 1: For the purposes of sub-clause (2)(a), 'written complaint' shall include complaints made through other modes where proof of having made a complaint can be produced by the complainant.

Explanation 2: For the purposes of sub-clause (2)(b)(ii), a complaint in respect of the same cause of action does not include criminal proceedings pending or decided before a Court or Tribunal or any police investigation initiated in a criminal offence.

11. Procedure for Filing a Complaint

- (1) The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>).
- (2) The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint, if submitted in physical form, shall be duly signed by the complainant or by

the authorised representative. The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by Reserve Bank.

12. Initial Scrutiny of Complaints

(1) Complaints which are in the nature of offering suggestions or seeking guidance or explanation shall not be treated as valid complaints under the Scheme and shall be closed accordingly with a suitable communication to the complainant.

(2) Complaints which are non-maintainable under clause 10 shall be separated to issue a suitable communication to the complainant.

(3) The remaining complaints shall be assigned to the offices of the Ombudsman for further examination under intimation to the complainant. A copy of the complaint shall also be forwarded to the Regulated Entity against whom the complaint is filed with a direction to submit its written version.

13. Power to Call for Information

(1) The Ombudsman may, for the purpose of carrying out duties under this Scheme, require the Regulated Entity against whom the complaint has been made or any other Regulated Entity which is a party to the dispute to provide any information or furnish certified copies of any document relating to the complaint which are or is alleged to be in its possession.

Provided that in the event of failure of a Regulated Entity to comply with the requisition without sufficient cause, the Ombudsman may draw an inference that the Regulated Entity has no information to furnish.

(2) The Ombudsman shall maintain confidentiality of the information or the documents coming to its knowledge or possession in the course of discharging duties and shall not disclose such information or documents to any person except as otherwise required by law, or with the consent of the person furnishing such information or documents.

Provided that nothing in this sub-clause shall prevent the Ombudsman from disclosing information or documents furnished by the parties to the proceedings to each other, to the extent considered necessary to comply with the principles of natural justice and fair play:

Provided further that provisions of this sub-clause shall not apply in relation to the disclosure made or information furnished by the Ombudsman to the Reserve Bank or filing thereof before any Court, Forum or Authority.

14. Resolution of Complaints

(1) The Ombudsman/Deputy Ombudsman shall endeavour to promote settlement of a complaint by agreement between the complainant and the Regulated Entity through facilitation or conciliation or mediation.

(2) The proceedings before the Ombudsman shall be summary in nature and shall not be bound by any rules of evidence. The Ombudsman may examine either party to the complaint and record their statement.

(3) The Regulated Entity shall, on receipt of the complaint, file its written version in reply to the averments in the complaint enclosing therewith copies of the documents relied upon, within 15 days before the Ombudsman for resolution.

Provided that the Ombudsman may, at the request of the Regulated Entity in writing to the satisfaction of the Ombudsman, grant such further time as may be deemed fit to file its written version and documents.

(4) In case the Regulated Entity omits or fails to file its written version and documents within the time as provided in terms of sub-clause (3), the Ombudsman may proceed *ex-parte* based on the evidence available on record and pass appropriate Order or issue an Award. There shall be no right of appeal to the Regulated Entity in respect of the Award issued on account of non-response or non-furnishing of information sought within the stipulated time.

(5) The Ombudsman/Deputy Ombudsman shall ensure that the written version or reply or documents filed by one party, to the extent relevant and pertaining to the complaint, are furnished to other party and follow such procedure and provide additional time as may be considered appropriate.

(6) In case the complaint is not resolved through facilitation, such action as may be considered appropriate, including a meeting of the complainant with the officials of Regulated Entity, for resolution of the complaint by conciliation or mediation may be initiated.

(7) The parties to the complaint shall cooperate in good faith with the Ombudsman/Deputy Ombudsman, as the case may be, in resolution of the dispute

and comply with the direction for production of any evidence and other related documents within the stipulated time.

(8) If any amicable settlement of the complaint is arrived at between the parties, the same shall be recorded and signed by both the parties and thereafter, the fact of settlement may be recorded, annexing thereto the terms of settlement, directing the parties to comply with the terms within the stipulated time.

(9) The complaint would be deemed to be resolved when:

- (a) it has been settled by the Regulated Entity with the complainant upon the intervention of the Ombudsman; or
- (b) the complainant has agreed in writing or otherwise (which may be recorded) that the manner and the extent of resolution of the grievance is satisfactory; or
- (c) the complainant has withdrawn the complaint voluntarily.

15. Award by the Ombudsman

(1) Unless the complaint is rejected under clause 16, the Ombudsman shall pass an Award in the event of:

- (a) non-furnishing of documents/information as enumerated in clause 14(4); or
- (b) the matter not getting resolved under clause 14(9) based on records placed, and after affording a reasonable opportunity of being heard to both the parties.

(2) The Ombudsman shall also take into account, in addition, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors as may be relevant, before passing a reasoned Award.

(3) The Award shall contain, *inter alia*, the direction, if any, to the Regulated Entity for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Regulated Entity to the complainant by way of compensation for any loss suffered by the complainant.

(4) Notwithstanding anything contained in sub-clause (3), the Ombudsman shall not have the power to pass an Award directing payment by way of compensation, an amount which is more than the consequential loss suffered by the complainant or Rupees 20 lakh whichever is lower. The compensation that can be awarded by the Ombudsman shall be exclusive of the amount involved in the dispute.

(5) The Ombudsman may also award a compensation not exceeding Rupees one lakh to the complainant, taking into account the loss of the complainant's time, expenses incurred, harassment and mental anguish suffered by the complainant.

(6) A copy of the Award shall be sent to the complainant and the Regulated Entity.

(7) The Award passed under sub-clause (1) shall lapse and be of no effect unless the complainant furnishes a letter of acceptance of the Award in full and final settlement of the claim to the Regulated Entity concerned, within a period of 30 days from the date of receipt of the copy of the Award.

Provided that no such acceptance may be furnished by the complainant if he has filed an appeal under sub-clause (3) of clause 17.

(8) The Regulated Entity shall comply with the Award and intimate compliance to the Ombudsman within 30 days from the date of receipt of the letter of acceptance from the complainant, unless it has preferred an appeal under sub-clause (2) of clause 17.

16. Rejection of a Complaint

(1) The Deputy Ombudsman or the Ombudsman may reject a complaint at any stage if it appears that the complaint made:

(a) is non-maintainable under clause 10; or

(b) is in the nature of offering suggestions or seeking guidance or explanation

(2) The Ombudsman may reject a complaint at any stage if:

(a) in his opinion there is no deficiency in service; or

(b) the compensation sought for the consequential loss is beyond the power of the Ombudsman to award the compensation as indicated in clause 8(2); or

(c) the complaint is not pursued by the complainant with reasonable diligence; or

(d) the complaint is without any sufficient cause; or

(e) the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint; or

(f) in the opinion of the Ombudsman there is no financial loss or damage, or inconvenience caused to the complainant.

17. Appeal before the Appellate Authority

(1) There shall not be any right of appeal to a Regulated Entity for an Award issued for non-furnishing of documents/information under clause 15(1)(a).

(2) The Regulated Entity may, aggrieved by an Award under clause 15(1)(b) or closure of a complaint under clauses 16(2)(c) to 16(2)(f), within 30 days of the date of receipt of communication of Award or closure of the complaint, prefer an appeal before the Appellate Authority.

(a) Provided that in the case of an appeal by a Regulated Entity, the period of 30 days for filing an appeal shall commence from the date on which the Regulated Entity receives the letter of acceptance of Award by the complainant:

(b) Provided further that an appeal may be filed by a Regulated Entity only with the previous sanction of the Chairman or the Managing Director/Chief Executive Officer or, in their absence, the Executive Director/Official of equal rank.

(c) Provided that the Appellate Authority may, if he is satisfied that the Regulated Entity had sufficient cause for not making the appeal within the time, may allow a further period not exceeding 30 days.

(3) The complainant may, aggrieved by an Award under clause 15(1) or rejection of a complaint under clauses 16(2)(c) to 16(2)(f), within 30 days of the date of receipt of the Award or rejection of the complaint, prefer an appeal before the Appellate Authority.

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

(4) The Appellate Authority's Secretariat shall scrutinise and process the Appeal.

(5) The Appellate Authority may, 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 order of the Ombudsman; or

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

or

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

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

(6) The order of the Appellate Authority shall have the same effect as the Award passed by Ombudsman under clause 15 or the order rejecting the complaint under clause 16, as the case may be.

18. Regulated Entity to Display Salient Features of the Scheme for Knowledge of the Public

(1) The Regulated Entity to which the Scheme is applicable shall facilitate the smooth conduct of the Scheme by ensuring meticulous adherence to the requirements under the Scheme, failing which, the Reserve Bank may take such action as it may deem fit.

(2) The Regulated Entity shall appoint a Principal Nodal Officer at their head office who shall not be a rank less than a General Manager or an officer of equivalent rank and shall be responsible for representing the Regulated Entity and furnishing information on behalf of the Regulated Entity in respect of complaints filed against the Regulated Entity. The Regulated Entity may appoint such other Nodal Officers to assist the Principal Nodal Officer as it may deem fit for operational efficiency.

(3) The Regulated Entity shall display prominently for the benefit of their customers at their branches/places where the business is transacted, the name and contact details (Telephone/mobile number and E-mail ID) of the Principal Nodal Officer along with the details of the complaint lodging portal of the Ombudsman (<https://cms.rbi.org.in>).

(4) The Regulated Entity to which the Scheme is applicable shall ensure that the salient features of the Scheme are displayed prominently in English, Hindi and the regional language in all its offices, branches and places where the business is transacted in such a manner that a person visiting the office or branch has adequate information on the Scheme.

(5) The Regulated Entity shall ensure that a copy of the Scheme is available in all its branches to be provided to the customer for reference upon request.

(6) The salient features of the Scheme along with the copy of the Scheme and the contact details of the Principal Nodal Officer shall be displayed and updated on the website of the Regulated Entity.

CHAPTER V

MISCELLANEOUS

19. Removal of Difficulties

If any difficulty arises in giving effect to the provisions of the Scheme, the Reserve Bank may make such provisions not inconsistent with the Reserve Bank of India Act, 1934, or the Banking Regulation Act, 1949, or the Payment and Settlement Systems Act, 2007, or the Scheme, as it may consider necessary or expedient for removing any difficulty.

20. Repeal of the Existing Schemes and Application to Pending Proceedings

(1) The Banking Ombudsman Scheme, 2006, the Ombudsman Scheme for Non-Banking Financial Companies, 2018, and the Ombudsman Scheme for Digital Transactions, 2019, hereby stand repealed.

(2) The adjudication of pending complaints, appeals and execution of the Awards already passed, as on the date of commencement of the Reserve Bank - Integrated Ombudsman Scheme, 2021, shall continue to be governed by the provisions of the respective Ombudsman Schemes and instructions of the Reserve Bank issued thereunder.

FORM OF COMPLAINT (TO BE LODGED) WITH THE OMBUDSMAN

[Clause 11(2) of the Scheme]

(TO BE FILLED UP BY THE COMPLAINANT)

All the fields are mandatory except wherever indicated otherwise

To

The Ombudsman

Madam/Sir,

Sub: Complaint against(place of Regulated Entity's branch or office) of(name of the Regulated Entity)

Details of the complaint:

1. Name of the complainant

2. Age (years).....

3. Gender.....

4. Full address of the complainant

.....

.....

Pin Code

Phone No. (if available).....

Mobile Number.

E-mail (if available)

5. Complaint against (Name and full address of the branch or office of the Regulated Entity)

.....

Pin Code

6. Nature of relationship/account number (if any) with the Regulated Entity

.....

7. Transaction date and details, if available

.....

(a) Date of complaint already made by the complainant to the Regulated Entity

(Please enclose a copy of the complaint)

.....

(b) Whether any reminder was sent by the complainant? Yes/No

(Please enclose a copy of the reminder)

.....

8. Please tick the relevant box (Yes/No)

Whether your complaint:

(i)	is sub-judice/under arbitration ¹ ?	Yes	No
(ii)	is made through an advocate, except when the advocate is the aggrieved party?	Yes	No
(iii)	has already been dealt with or is under process on the same ground with the Ombudsman?	Yes	No
(iv)	is in the nature of general complaint/s against Management or Executives of a Regulated Entity?	Yes	No
(v)	is on account of a dispute between Regulated Entities?	Yes	No
(vi)	involves employer-employee relationship?	Yes	No

9. Subject matter of the complaint

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10. Details of the complaint:

(If space is not sufficient, please enclose a separate sheet)

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¹ **Complaint is sub-judice/under arbitration** if the complaint in respect of the same cause of action is already pending/dealt with on merits by any Court, Tribunal or Arbitrator or any other Authority, whether individually or jointly.

11. Whether any reply has been received from the Regulated Entity within a period of 30 days of receipt of the complaint by it? Yes/No
(if yes, please enclose a copy of the reply)

12. Relief sought from the Ombudsman

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.....

(Please enclose a copy of documentary proof, if any, in support of your claim)

13. Nature and extent of monetary loss, if any, claimed by the complainant by way of compensation (please refer to clauses 15 (4) & 15 (5) of the Scheme)

Rs.....
.....

14. List of documents enclosed:

Declaration

(i) I/We, the complainant/s herein declare that:

a) the information furnished above is true and correct; and

b) I/We have not concealed or misrepresented any fact stated above, and in the documents submitted herewith.

(ii) The complaint is filed before the expiry of a period of one year reckoned in accordance with the provisions of clause 10 (2) of the Scheme.

Yours faithfully

(Signature of the Complainant/Authorised Representative)

AUTHORISATION

If the complainant wants to authorise a representative to appear and make submission on her/his behalf before the Ombudsman, the following declaration should be submitted:

I/We hereby nominate Shri/Smt..... as
my/our authorised representative whose contact details are as below:

Full Address

.....

.....

Pin Code

Phone No:.....

Mobile Number.

E-mail

(Signature of the Complainant)

INTERNAL OMBUDSMAN SCHEME, 2018

The Scheme is introduced with the object of enabling and ensuring a proper and speedy resolution of complaints of bank customers at the bank level by an independent apex level authority within the bank.

CHAPTER – I PRELIMINARY

1. SHORT TITLE, COMMENCEMENT AND EXTENT

- (1) This Scheme may be called the Internal Ombudsman Scheme, 2018.
- (2) It shall come into effect on such date as the Reserve Bank may specify.
- (3) It shall extend to the whole of India.

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. APPLICABILITY

- (1) The Scheme shall apply to all banks as defined in Clause 4 (1) of the Scheme.

4. DEFINITIONS

(1) 'Bank' means a 'banking company', a 'corresponding new bank' and 'State Bank of India' as defined in Section 5 of the Banking Regulation Act, 1949 (Act 10 of 1949) that are included in the Second Schedule of the Reserve Bank of India Act, 1934 (Act 2 of 1934) and are having more than ten banking outlets in India, whether such bank is incorporated in India or outside India.

(2) 'Banking Outlet' is a fixed-point service delivery unit, manned by either bank's staff or its business correspondent where services of acceptance of deposits, encashment of

cheques / cash withdrawal or lending of money are provided for a minimum of four hours per day for at least five days a week.

- (3) 'Financial Sector Regulatory Body' means regulatory body for financial sector entities and includes the Reserve Bank of India established under the 'Reserve Bank of India Act, 1934', the Securities and Exchange Board of India established under the 'Securities and Exchange Board of India Act, 1992', Insurance Regulatory and Development Authority of India established under the 'Insurance Regulatory and Development Authority of India Act, 1999', and Pension Fund Regulatory and Development Authority established under the 'Pension Fund Regulatory and Development Authority Act, 2013'.
- (4) 'Internal Ombudsman' means any person appointed under Clause 5 of the Scheme.
- (5) 'The Scheme' means the Internal Ombudsman Scheme, 2018.
- (6) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949 or the Reserve Bank of India Act, 1934 or Banking Ombudsman Scheme, 2006 or any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.

CHAPTER – II

OFFICE OF THE INTERNAL OMBUDSMAN

5. APPOINTMENT OF INTERNAL OMBUDSMAN

(1) Banks shall appoint Internal Ombudsman after satisfying themselves that the following prerequisites are fulfilled for the appointment of Internal Ombudsman:

- a. The Internal Ombudsman shall either be a retired or serving officer, not below the rank of Deputy General Manager or equivalent of another bank / Financial Sector Regulatory Body, having necessary skills and experience of minimum seven years of working in areas such as banking, regulation, supervision, payment and settlement systems and / or consumer protection.
- b. The Internal Ombudsman shall not have worked / be working in the bank in which he / she is appointed as Internal Ombudsman.

(2) The Internal Ombudsman shall not be over 70 years of age.

6. TENURE OF INTERNAL OMBUDSMAN

(1) The tenure of the Internal Ombudsman in banks shall be a fixed term of not less than three years, but not exceeding five years. The Internal Ombudsman shall not be eligible for reappointment or for extension of term in the same bank.

(2) The Internal Ombudsman cannot be removed before the completion of his / her term without the explicit approval of the Reserve Bank. If there is a change in incumbency of Internal Ombudsman for any reason midway through the tenure, the bank shall submit a report to the Reserve Bank indicating the reasons therefor.

(3) The Principal Nodal Officer or the Nodal Officer, liaising with the offices of Banking Ombudsman, shall not act as Internal Ombudsman or vice versa, even during the temporary absence of either.

7. SECRETARIAT AND COST OF INTERNAL OMBUDSMAN OFFICE

(1) Banks shall depute such number of its officers or other staff to the office of the Internal Ombudsman as is considered necessary for the smooth functioning of the offices of the Internal Ombudsman.

(2) The Customer Service Committee of bank's board shall fix the emoluments / facilities / benefits of the Internal Ombudsman, keeping in view the stature and the need to attract experienced persons considering that the position of the Internal Ombudsman is at the apex of the grievance redressal mechanism of banks.

CHAPTER – III

ROLE AND RESPONSIBILITIES OF INTERNAL OMBUDSMAN

8. JURISDICTION

(1) Internal Ombudsman shall not handle complaints received directly from the customers or members of public. In other words, the Internal Ombudsman will deal only with the complaints that have already been examined by the bank's internal grievance redressal mechanism and have remained partly or wholly un-redressed.

(2) Internal Ombudsman shall examine all customer grievances including complaints of deficiency in service on the part of the bank as also those listed under Clause 8 of the Banking Ombudsman Scheme, 2006 (as amended from time to time) received by banks and which are partly or wholly rejected by bank's internal grievance redressal mechanism, excepting the following:

- a. Complaints related to frauds, misappropriation etc., except in respect of deficiency of service, if any, on the part of the bank.
- b. Complaints / references relating to a) internal administration, b) human resources, c) pay and emoluments of staff;
- c. References in the nature of suggestions, requests for concessions in rate of interest charged, rejection of loan proposal, modifications in sanction terms and conditions, enhancement in credit limit, waiver / write-off of loans, etc. which are primarily in the nature of commercial decisions.
- d. Complaints which have been decided by or are already pending in other fora such as consumer fora, Courts, Debt Recovery Tribunals, etc.

(3) The Internal Ombudsman shall analyze the pattern of complaints such as product / category wise, consumer groups wise, based on geographical location, etc. and suggest means for taking actions to address the root cause of complaints of different nature.

(4) The Internal Ombudsman shall examine the complaints on the basis of records / documents available with the bank and comments / clarifications furnished by the bank to specific queries of the Internal Ombudsman.

- (5) The Internal Ombudsman may hold meetings with concerned functionaries / departments of the bank and seek any record / document available with the bank that is necessary for examining the complaint. To ensure resolution through conciliation, the Internal Ombudsman may seek direct feedback / clarifications from the complainant.
- (6) In, cases of conciliation, where the decision of the Internal Ombudsman is accepted by the complainant, the Internal Ombudsman shall obtain and keep on record, a statement showing the terms of the agreement duly signed by the complainant.
- (7) The Internal Ombudsman shall not represent the bank in legal cases arising out of complaints examined by the bank or the Internal Ombudsman.
- (8) The Internal Ombudsman shall report to the Managing Director / Executive Director of the bank handling customer grievances.
- (9) The Internal Ombudsman shall immediately refer back to bank all such complaints which are outside the purview of the Scheme.

CHAPTER- IV

PROCEDURAL GUIDELINES FOR BANKS

9. PROCEDURE FOR COMPLAINT REDRESSAL BY INTERNAL OMBUDSMAN

- (1) Banks should formulate a Standard Operating Procedure (SOP) approved by the Customer Service Committee of the Board and establish a system of auto-escalation of complaints that are partly or wholly rejected by the bank's internal grievance redressal mechanism to the Internal Ombudsman through their Complaints Management Software, for a final decision.
- (2) Banks shall internally escalate all such complaints to Internal Ombudsman within two weeks of receipt of complaint, before conveying the final decision to the complainant within a period of 30 days, from the receipt of complaint.
- (3) Banks may appoint more than one Internal Ombudsman depending on the volume of complaints received by them and to ensure continuity of operations during the absence of the Internal Ombudsman. While appointing additional Internal Ombudsman, the banks shall consider the need for diversity of experience of the incumbents to deal with different types of cases. In such cases, the bank shall define the jurisdiction of each Internal Ombudsman.
- (4) Banks shall provide *read only* access to their Complaint Management Software so that all complaints are accessible to the Internal Ombudsman who shall follow up cases of delayed escalation with the concerned department in the bank. Banks shall also provide access to Internal Ombudsman for adding his / her decisions on complaints escalated to the Internal Ombudsman, in the bank's Complaint Management Software.
- (5) The Internal Ombudsman shall also have read-only access to the Reserve Bank's Complaints Management System to enable the Internal Ombudsman to keep track of the cases forwarded by the Offices of Banking Ombudsman and the decisions by the Banking Ombudsman thereon, including the decision of the Appellate Authority, where applicable.

(6) Banks shall furnish all records / documents sought by the Internal Ombudsman to enable him / her to redress / resolve customer grievances expeditiously.

(7) The decision of Internal Ombudsman shall be binding on the bank.

(8) Banks shall, in their final reply to the complainant after obtaining Internal Ombudsman's decision, explicitly mention that the complaint has been examined by the bank's Internal Ombudsman. Only under circumstances, where a resolution has been made by agreement and the Internal Ombudsman had obtained the resolution in writing duly signed by the complainant under Clause 8(6) and furnished to the bank for records, should a reply to the complainant be issued by Internal Ombudsman with an endorsement to the bank.

(9) In case of disagreement with the Internal Ombudsman's decision, the bank may obtain approval of the Executive Director in charge of customer service of the bank and the reply forwarded to the complainant shall mention that the decision of the bank has the approval of the Executive Director. All such cases shall be subsequently reviewed by the Customer Service Committee of the bank's board.

(10) Where the complaints falling under Clause 8 of the Banking Ombudsman Scheme, 2006 are not resolved to the satisfaction of the complainant (i.e., partly or wholly rejected complaints) even after examination by Internal Ombudsman, the bank shall necessarily advise the complainant that he / she can approach the Banking Ombudsman for redressal along with complete details and address of the Banking Ombudsman concerned as well as the link to Reserve Bank's portal (www.rbi.org.in -> Complaints -> Banking Ombudsman Scheme -> Complaint Form) for online filing of customer complaints.

(11) The decision of the Internal Ombudsman shall be mandatorily included in the information submitted by banks to the Banking Ombudsman, while furnishing documents related to the complaints received in the office of the Banking Ombudsman.

(12) In cases where the complainant has approached the Banking Ombudsman before the Internal Ombudsman has examined the complaint, banks should obtain the views of

Internal Ombudsman and include the Internal Ombudsman's views in its submissions to Banking Ombudsman.

(13) Banks shall make available requisite infrastructure (information technology / human resources, etc.) to the office of the Internal Ombudsman to enable the Internal Ombudsman to discharge his / her responsibilities effectively and efficiently.

(14) Banks shall use the analysis of complaints handled by Internal Ombudsman in their training programmes / conferences to raise awareness, *inter alia*, about the patterns of complaints, among the frontline staff, and facilitate consistency in handling of similar complaints. The Internal Ombudsman may also be associated for such trainings, where necessary.

(15) While assessing the performance of the Internal Ombudsman, in addition to the level of pendency and work done by the Internal Ombudsman towards developing uniformity across the bank in the redressal of complaints, banks should also keep in mind the number of cases where substantive differences are observed between the decisions of the Internal Ombudsman vis-à-vis that given by the Banking Ombudsman subsequently.

(16) Internal Ombudsman shall be placed in Head / Corporate Office and / or at a place where the bank has a Zonal / Regional / Circle Office.

(17) Banks shall widely disseminate the guidelines / instructions regarding the Scheme among their staff while communicating the appointment of Internal Ombudsman in the organization (all branches and administrative offices).

(18) Banks shall not provide the contact details of the Internal Ombudsman in the public domain as the Internal Ombudsman shall not handle complaints received directly from the customers.

10. REPORTING TO RESERVE BANK

(1) Banks shall put in place a system of periodic reporting of information to Reserve Bank as indicated below:

- (a) On quarterly basis, the total number of complaints received, number of partly or wholly rejected complaints and number of complaints escalated to the Internal Ombudsman;
- (b) On annual basis, the number of cases where the decision of Internal Ombudsman has been rejected with the approval of Executive Director of the bank, to be submitted in April every year; and
- (c) On annual basis, the number of cases closed by Internal Ombudsman and age-wise number of cases where the bank was yet to implement the decision of Internal Ombudsman in April every year;
- (d) The reporting format is given in the **Annex**.

(2) Banks shall furnish the details of the Internal Ombudsman to the Chief General Manager, Consumer Education and Protection Department, Reserve Bank of India, Central Office, 1st Floor, Amar Building, Sir P M Road, Mumbai-400 001 (email: cgmcepd@rbi.org.in) and to the Banking Ombudsman under whose jurisdiction the bank or Zone / Branch thereof falls in the following format:

- i. Name of the Internal Ombudsman;
- ii. Details of the last position held / organization name;
- iii. Date and period of appointment;
- iv. Brief professional profile including previous exposure to financial services, and
- v. Contact details i.e., address, phone/ fax numbers, email address etc.

(3) Banks shall furnish the details under Clause 10(2) within five days of fresh appointment of Internal Ombudsman.

CHAPTER – V

OVERSIGHT

11. BOARD OVERSIGHT

(1) The Internal Ombudsman shall furnish periodical reports on his / her activities (including the analysis stated in Clause 8(3) of the Scheme) to the Customer Service Committee of the bank's board, preferably at quarterly intervals, but not less than bi-annually. Banks shall put in place a system for discussion of cases by the Customer Service Committee of the bank's board where the decision of the Internal Ombudsman has been rejected by the bank, which is to be done with approval of Executive Director of the bank in terms of Clause 9(9) of the Scheme. The Audit Committee of the board can refer to the Internal Ombudsman in respect of cases mentioned at Clause 8(2)(a) of the Scheme.

(2) Banks shall conduct an internal audit of the implementation of the Scheme. The audit shall, *inter alia*, cover aspects relating to the infrastructure (space, information technology, human resources etc.) provided to the Internal Ombudsman and implementation of auto escalation of partly or wholly rejected complaints to the Internal Ombudsman within the timeframe of two weeks as indicated at Clause 9(2). Internal audit shall also look at the actions by the Internal Ombudsman with regard to analysis of complaints, efforts made by Internal Ombudsman and support provided by bank towards raising awareness about types of grievances and developing uniformity of approach in handling of complaints across the bank as also provided for under Clause 9(14). The scope of internal audit shall exclude the decisions taken by the Internal Ombudsman.

12. SUPERVISORY OVERSIGHT

(1) Areas regarding customer service and implementation of the Scheme would be a part of the risk assessment and supervisory review by Department of Banking Supervision of the Reserve Bank.

(2) The Reserve Bank shall review the cases where decisions of the Internal Ombudsman are not accepted by the bank and the aggrieved customer appeals to the Banking Ombudsman. If in such cases, the original decisions of the Internal Ombudsman are reiterated by the Banking Ombudsman frequently, then the bank may be subjected to appropriate enforcement action.

Report to Consumer Education and Protection Department, Reserve Bank of India

Under Clause 10 of Internal Ombudsman Scheme, 2018

Office of Internal Ombudsman, Name of Bank: _____

Report for quarter ended _____

Number of Complaints Received by bank	Number of Complaints Rejected (Partly or Wholly)	Number of Complaints referred by Bank to Internal Ombudsman

Report for year ended _____

Number of Complaints referred by Bank to IO	Number of Complaints Closed by IO	Number of cases where IO's decision has been rejected*	Number of IO decisions implemented by bank	Number of IO decisions yet to be implemented by bank			
				1 Month	2 Months	3 Months	More than 3 Months

*To be rejected only with prior approval of Executive Director