

Salient features: The RBI - Integrated Ombudsman Scheme, 2021

Reserve Bank of India (RBI) has integrated the Ombudsman Schemes namely,

- (i) the Banking Ombudsman Scheme, 2006;
- (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and
- (iii) the Ombudsman Scheme for Digital Transactions, 2019.

into one scheme named “The Reserve Bank-Integrated Ombudsman Scheme 2021”.

The Scheme adopts ‘One Nation One Ombudsman’ approach by making the RBI Ombudsman mechanism jurisdiction neutral.

The Scheme is effective from 12.11.2021.

The Scheme, framed by the Reserve Bank in exercise of the powers conferred on it 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), *will provide cost-free redress of customer complaints involving deficiency in services rendered by entities regulated by RBI, if not resolved to the satisfaction of the customers or not replied within a period of 30 days by the regulated entity.*

Some of the salient features of the Scheme are:

- i. It will no longer be necessary for a complainant to identify under which scheme he/she should file complaint with the Ombudsman.
- ii. The Scheme defines ‘deficiency in service’ as the ground for filing a complaint, with a specified list of exclusions. Therefore, the complaints would no longer be rejected simply on account of “not covered under the grounds listed in the scheme”.
- iii. The Scheme has done away with the jurisdiction of each ombudsman office.
- iv. A Centralised Receipt and Processing Centre has been set up at RBI, Chandigarh for receipt and initial processing of physical and email complaints in any language.
- v. The responsibility of representing the Regulated Entity and furnishing information in respect of complaints filed by customers against the Regulated Entity would be that of the Principal Nodal Officer in the rank of a General Manager in a Public Sector Bank or equivalent.
- vi. The Regulated Entity will not have the right to appeal in cases where an Award is issued by the ombudsman against it for not furnishing satisfactory and timely information/documents.

Grounds for filing a complaint by a customer

Any act/omission of Regulated Entity (RE) resulting in deficiency in service may file complaint personally or through an authorised representative.

“Deficiency in service” means a shortcoming or an inadequacy in any financial service or such other services related thereto, 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.

“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.

Grounds for non-maintainability of a Complaint

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

- (a) commercial judgment/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;
- (h) a dispute involving the employee-employer relationship of a Regulated Entity;
- (i) a dispute for which a remedy has been provided in Section 18 of the Credit Information Companies (Regulation) Act, 2005; and
- (j) a dispute pertaining to customers of Regulated Entity not included under the Scheme.

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.
- (3) The complaint, if submitted in physical form, shall be duly signed by the complainant or by the authorised representative and send to ‘Centralised Receipt and Processing Centre’ set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh - 160017.
- (4) The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by Reserve Bank.

How does Ombudsman take decisions

The complaint would be deemed to be resolved by the Ombudsman when:

- it has been settled by the Regulated Entity with the complainant upon the intervention of the Ombudsman; or
- 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
- the complainant has withdrawn the complaint voluntarily.

Can a customer appeal, if not satisfied with decision of Ombudsman

The complainant may, if aggrieved by an Ombudsman Award or rejection of a complaint, may within 30 days of the date of receipt of the Award or rejection of the complaint, prefer an appeal before the Appellate Authority.

A copy of the Scheme is available on the RBI website (www.rbi.org.in) and on the CMS portal (<https://cms.rbi.org.in>) and on Company's website.

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