

Ombudsman Scheme

RESERVE BANK – INTEGRATED OMBUDSMAN SCHEME 2021 – SALIENT FEATURES

The Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme) was launched today in virtual mode by Hon'ble Prime Minister Shri Narendra Modi.

The Scheme integrates the existing three Ombudsman schemes of RBI 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. 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.

1. APPLICABILITY:

The Scheme is meant for resolving customer grievances in relation to services provided by entities regulated by RBI under the applicable provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the Payment and Settlement Systems Act, 2007, and the Credit Information Companies (Regulation) Act, 2005 (30 of 2005).

2. DEFINITIONS

Capitalized terms used but not defined herein shall have the meaning assigned to them under the Scheme.

“Appellate Authority” means the Executive Director in-Charge of the Department of the RBI administering the Scheme;

“Authorized Representative” means a person, other than an advocate, duly appointed and authorized in writing to represent the complainant in the proceedings before the Ombudsman;

“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;

“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;

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

3. 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 Centralized 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.

3. POWERS AND FUNCTIONS OF THE OMBUDSMAN

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 INR 20,00,000, in addition to, up to INR 1,00,000 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 (also mentioned in brief under clause IV(B) and (C) of this document) and complaints settled through facilitation as stated under clause 14 of the Scheme (also mentioned in brief under clause VI of this document).

4. The Ombudsman shall send to the Deputy Governor, RBI, a report as on March 31 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.

4. PROCEDURE FOR GRIEVANCE REDRESSAL UNDER THE SCHEME:

1. Grounds of complaint: Any customer aggrieved by an act or omission of a Regulated Entity resulting in Deficiency in Service may file Complaint under the Scheme personally or through an authorised representative.

2. Complaint shall not lie under the Scheme, unless:

A. The complainant had, before making a complaint under the Scheme, made a written complaint to the Regulated Entity concerned and

- 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

- 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:

- 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;
- 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 (also mentioned in brief under clause V(C) of this document);

F. The complaint is lodged by the complainant personally or through an authorized representative other than an advocate unless the advocate is the aggrieved person.

3. Grounds for non-maintainability of a Complaint: no complaint for Deficiency in Service shall lie under the Scheme in matters involving-

- A. Commercial judgment/commercial decision of a RE;
- B. Dispute between a vendor and a RE relating to an outsourcing contract;
- C. Grievance not addressed to the Ombudsman directly;
- D. General grievances against Management or Executives of a RE;
- E. Dispute in which action is initiated in compliance with the orders of a statutory or law enforcing authority;
- F. Service not within the regulatory purview of RBI;
- G. Dispute between RE's;
- H. Dispute involving the employee-employer relationship of a RE;
- 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.

5. PROCESS FOR FILING COMPLAINT:

1. Written Complaint to RE: The customer can approach any of our service touch points to register a complaint and expect a response within defined time period from complaint registration. The detailed grievance redressal procedure is given on below link:

<https://respo.co.in/grievance-redressal/>

6. 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 Regulated Entity shall, on receipt of the complaint, file its written version in reply to 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.
3. In case the Regulated Entity omits or fails to file its written version and documents within the time provided above, the Ombudsman may proceed ex-parte based on the evidence available on record and pass appropriate Order or issue an award.
4. Proceedings before Ombudsman are summary in nature and shall not be bound by any rules of evidence.
5. If any amicable settlement of the complaint is arrived at between the parties, the same shall be recorded and signed by both the parties.
6. 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.

7. AWARD BY THE OMBUDSMAN:

1. Unless the complaint is rejected under clause 16 of the Scheme (also mentioned in brief under clause VIII of this document), the Ombudsman shall pass an award in the event of non-furnishing of documents/information; or the matter not getting resolved under clause 14(9) of the Scheme (also mentioned in brief under clause VI(6) of this document), based on records placed, and after affording a reasonable opportunity of being heard to both the parties.
2. The Ombudsman shall not have the power to pass an award directing payment by way of compensation, for an amount which is more than the consequential loss suffered by the complainant or INR 20,00,000, whichever is lower. The Ombudsman may also award a compensation not exceeding INR 1,00,000 to the complainant, taking into account the loss of the complainant's time, expenses incurred, harassment and mental anguish suffered by the complainant.

8. 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 of the Scheme (also mentioned in brief under clause IV(B) and (C) of this document); 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) of the Scheme (also mentioned in brief under clause III(2) of this document); 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.

9. APPEAL BEFORE APPELLATE AUTHORITY:

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

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

NOTE:

1. This is an alternate grievance redressal framework.

2. Complainant is at liberty to approach Court, Tribunal or Arbitrator or any other forum or authority.

For more details, please refer to the Scheme, available on the Company website (www.respo.co.in) or at RBI website www.rbi.org.in. The copy of the Scheme is also available in our offices, which will be provided to the customer for reference upon request.

Annex-

FORM OF COMPLAINT (TO BE LODGED) WITH THE NBFC OMBUDSMAN (TO BE FILLED UP BY THE COMPLAINANT)

To:

The NBFC Ombudsman

Place of office of the NBFC Ombudsman

Dear Sir,

Sub: Complaint against (Name of the NBFC branch) of
.....(Name of the NBFC) Details of the complaint are as
under:

1. Name of the Complainant

2. Full Address of the Complainant Pin Code
Phone No/ Fax No. Email

3. Complaint against (Name and full Address of the branch & NBFC)
Pin Code Phone No. / Fax No. Email

4. Particulars of NBFC Account (If any) (Please state the
number and the nature of account viz. deposit/ loan account etc. related to the subject matter of the
complaint being made.)

5. (a) Date of representation already made by the complainant to the NBFC (Please enclose a copy of the
representation) (b) Whether any reminder was sent by the complainant? YES/NO
(Please enclose a copy 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)

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.....
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8. Whether any reply (Within a period of one month after the NBFC concerned received the
representation) has been received from the NBFC? Yes/ No (if yes, please enclose a copy of the reply)

9. Nature of Relief sought from the NBFC Ombudsman
..... (Please enclose a copy 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
(please refer to Clauses 12 (5) & 12 (6) of the Scheme) Rs.....

11. List of documents enclosed: (Please enclose a copy of all the documents)

12. Declaration: (i) 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 the above columns and in the documents submitted herewith.

(ii) The complaint is filed before expiry of period of one year reckoned in accordance with the provisions of Clause 9(A)(a) and (b) of the Scheme.

(iii) The subject matter of the present complaint has never been brought before the Office of the NBFC Ombudsman by me/ us or by any of the parties concerned with the subject matter to the best of my/ our knowledge.

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

(v) I/ We authorise the NBFC to disclose any such information/ documents furnished by us to the NBFC Ombudsman and disclosure whereof in the opinion of the NBFC Ombudsman is necessary and is required for redressal of our complaint.

(vi) I/ We have noted the contents of the Ombudsman Scheme for NBFCs, 2018

Yours faithfully,

(Signature of Complainant)

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

I/We the above named complainant/s hereby nominate Shri/ 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, acceptance 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)

Note: If submitted online, the complaint need not be signed.