

An 'unfair' practice by banks

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Coimbatore, May 2:

A deduction of Rs. 12 from an individual's bank account may seem inconsequential to most people, but "such a debit towards insurance premium without the account-holder's consent amounts to deficiency in service," ruled the Consumer Court, Tirunelveli.

In its order, the court had directed a nationalised bank to pay Rs. 10,000 as compensation for deficiency in service and mental agony and Rs. 4,000 towards cost of the case.

Condemning the adoption of "such unfair trade practices" by a few banks, the Secretary of Coimbatore Consumer Cause, K Kathirmathiyon, said: "On a few occasions when customers questioned the deduction, the amount was refunded. Debiting thousands of accounts and later reversing the entry when a few voice their protest is unjustifiable. Many account-holders may not even be aware of such an irregular practice by banks," the CCC Secretary said.

Alleging that such *suo moto* debit is no mistake but a deliberate action, he said: "Debiting the account without the account-holder's consent is a serious offence and crediting it back after representation does not absolve the bank of its illegality. The RBI, IRDAI and Central Vigilance Commission have already criticised banks for indulging in such an unethical practice."

While appealing to the account-holders to take up the issue seriously and lodge complaints with the RBI and the IRDA, Kathirmathiyon said that the CCC plans to take up the matter with the government and, if necessary, go to court as well

***Debiting any amount without the consent
of the account-holder amounts to deficiency
in service, rules Consumer Court***

(This article was published in the Business Line print edition dated May 3, 2016)