

## Cyber fraud: Ombudsman moots single point of contact in banks

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*Expresses concern over the rise in 'non-maintainable complaints'*



Thiruvananthapuram, August 25:

The offices of the Banking Ombudsman (BO) for Kerala, Lakshadweep and Mahe has proposed that banks set up a 'single point of contact' to deal with the increasing incidence of cyber crimes.

Uma Sankar, BO, said here that the idea crystallised at a meeting with top officials of the Cyberdome of the Kerala police, nodal officers of banks, and representatives of mobile wallet companies.

### 'Fluid stage'

"The proposal is still in a fluid stage and details are being worked out," she told newsmen while presenting the annual report of the Office of the BO, Thiruvananthapuram.

She advised customers accessing ATMs to look out for suspicious objects, glue, matchsticks, pen/camera or other contraptions.

After transactions, customers must spend some time to ensure that the ATM machine 'disengages' fully since it can 'get hung' at times and put out cash after the customer has left.

### Rising trend

The office of the BO has also set up a Consumer Education and Protection Cell to deal with what Sankar described as 'non-maintainable complaints.'

"The BO is concerned over the rising trend in such complaints which were rejected at the time of initial scrutiny," she added.

These comprise: 'first resort' complaints or those filed with the BO without the concerned banks being approached first; those outside its jurisdiction or pending with other fora; and those that are time-barred.

For instance, cooperative banks, insurance companies and (NBFCs) non-banking finance companies are not covered by the BO scheme.

The internal ombudsman of the concerned bank is the first redressal agency. When no action is taken here, the complainant may approach the office of the BO.

Of the 3,595 complaints disposed during the year, 2,061 were considered maintainable. Of these, 506 were resolved through mutual settlement.

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But a large number of complaints settled have not been favoured with a 'written satisfaction letter' from customers, which would have served the cause of the BO better.

In tandem with the number of bank branches, much of the complaints received during the year were from the State Bank of India Group (36.9 per cent), followed by nationalised banks (29.7 per cent), private sector banks (26.4 per cent) and foreign banks (0.7 per cent).

Sankar said banks have been asked to furnish borrowers with 'key terms of the loan agreement' so that they do not 'get lost in the wordage' of the original contract.

This, she said, will make it easy for the latter to make sense of the terms, including interest and various charges, among others. The bank must get it signed by the borrower, and keep a copy with itself.

A circular has been sent requiring banks to give prior notice to customers on keeping minimum balance and levying, after a grace period, penal charges only to the extent of shortfall, if any.

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