

Complaints against private banks grow at faster pace than PSBs

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COIMBATORE: Though [public sector banks](#)(PSBs) accounted for 62% of the

total complaints received by the [Office of the Banking Ombudsman](#) (OBO) with 27% of the complaints being made against [SBI](#) ([State Bank of India](#) [BSE -0.37 %](#)) and its associates, complaints against private banks have grown at a faster clip. In all, 35,080 complaints were made against private banks, registering a 30.2% year-on-year (y-o-y) during the timeframe. In contrast, complaints against nationalised banks and SBI and its associates grew by about 28% y-o-y and 21.5% y-o-y respectively.

The increase in complaints against private banks is higher than the overall average as well. The total number of complaints received by the OBO grew 27.3% y-o-y to 1,30,987 for 2016-17, data with the [Reserve Bank of India](#) (RBI) showed.

Interestingly, the share of SBI and its associate banks in total complaints has been decreasing steadily. It declined from 31% in 2014-15 to 29% in 2015-16 and further to 27% in 2016-17. In contrast, the share of private banks increased from 23% to 26% and 26.5% for the comparable timeframe.

BANKING ON OMBUDSMAN

Source: RBI

Bank Group	Number of complaints received during			
	2015-16	Change (%)	2016-17	Change (%)
Nationalised banks	35,447 (35%)	22.69	45,364 (35%)	27.98
SBI and Associates	29,585 (29%)	11.52	35,950 (27%)	21.51
Private sector banks	26,931 (26%)	36.2	35,080 (26.5%)	30.26
Foreign banks	3,413 (4%)	0.21	3,284 (2.5%)	-3.78

HDFC Bank topped the complaints list among private sector banks. Problems relating to ATM/debit cards and credit cards topped the complaints list for the bank. In all, 9,884 complaints were registered against the bank during 2016-17, which translated to 2.07 per branch. This was followed by ICICI Bank against whom 9,541 complaints were made that worked out to 1.97 per branch. These two banks alone accounted for 59.3% of the total complaints recorded against private banks. The second highest number of complaints for most private banks related to problems associated with ATM/ debit cards and credit cards. In fact, the share of ATM/debit cards and credit cards in total complaints was higher for private banks. ATM/debit card comprised 12.5% of total complaints received while credit card accounted for 6.4% of overall complaints. For private banks, the share of ATM/debit card and credit cards in overall complaints stood at 22.75%.

Total complaints per 1,000 credit card/debit card accounts was also higher for private banks compared to PSBs. While private banks got 0.06 complaints per 1,000 accounts, it was 0.03 for SBI and its associates and 0.04 for other PSBs.



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Complaints pertaining to failure to meet commitments, non-observance of fair practices code, Banking Codes and Standards Board of India (BCSBI) Codes taken together constituted the largest category of complaints. It accounted for 34% of complaints.

Foreign banks accounted for 2.5% of complaints received. Regional Rural Banks and Scheduled Urban Cooperative banks accounted for 2% of the complaints while 7% of the complaints were against other non-bank entities not covered under the scheme.