

RBI seeks greater involvement of officials in grievance redressal

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The top management in charge of grievance redressal at banks/ financial service providers (FSPs) must take responsibility for the performance and robustness of the redressal framework and engage through deep involvement, close monitoring, and oversight of issues involved, according to Reserve Bank of India Deputy Governor MK Jain.

“A critical aspect of consumer protection that calls for dedicated attention within banks/FSPs is management engagement... They and their staff need to be driven by ‘true service’ sentiments.

“Customer service and consumer protection should not be relegated to the sidelines by goals driven by hard targets and sales-related incentives for onboarding customers. Banks/FSPs are, at times, found wanting in these aspects,” said Jain at the Annual Conference of Banking Ombudsman.

The Deputy Governor observed that the rising number of complaints on mis-selling of products by providing incorrect or incomplete information to customers, fraudulent transactions caused due to breach in security protocols, and breach of customer privacy, point to this direction.

Customer grievances

Jain emphasised that agility in addressing customer grievances needs to be inculcated at all levels of staff. The turnaround time (TAT) for complaints received within banks/FSPs and those referred to them by the ombudsmen's offices could then be reduced even further from the existing level of TAT, he added.

In this regard, he also mentioned that the RBI is currently working on a framework to harmonise the TAT for resolution of customer complaints and charge-backs in all the electronic payment systems.

Public expectations are high for early redressal and, the RBI, too, needs to evolve a zero-tolerance framework for delays in responses from regulated entities.

The Deputy Governor elaborated that while it is a fact that ombudsmen are technically not assigned an investigative role or investigation tools to carry out their responsibility, they should, at least, adopt an exploratory approach to identify the exact issue or deficiency within their limited mandate of summary disposal.

While being disciplined, fair, straightforward and upright, ombudsmen should also remain accessible to customers so as not to put to peril the reputation of the RBI, or jeopardise public confidence in the consumer protection mechanism, he said.

“The responsibility of objective dispute resolution cast upon ombudsmen, while being significant is not singular. The ombudsmen must, therefore, refrain from self-limiting their role as that of mere grievance redressal. In fact, ombudsmen

should leverage their vantage position to obtain a fair idea of the business conduct, the strengths and weaknesses of banks,” Jain remarked.

In particular, ombudsmen should ensure that regulated entities remain responsible and accountable to their customers, and their behaviour is consistent with the principles of sound financial conduct as prescribed through various guidelines issued by the RBI.

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