Consumer Centric Service

A Close Look

with Banking as Background

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Money and Banking

- Barter System
- Token Money
- Paper Currency
- Electronic Payments
- Digital Wallets
- Crypto Currencies
- Surplus money with some
- Requirement of money to others
- Individual Negotiations
- Markets, Exchanges
- Banks as Intermediaries
- Peer to Peer Lending Platforms
Banking Consumers and Services

- Customers
  - Depositors
  - Borrowers

- Others
  - Draft Purchasers
  - Remitters
  - Note Exchangers
  - Credit Card Holders
  - Wallet Holders

- Deposit
- Withdraw
- Payments
- ATMs
- Debit Cards
- Credit Cards
- Remittances
- Loans
- Repayments
- Drafts
- Statements
Institutional Ecosystem

- Multi-tier redressal system at banks
- RBI Ombudsman scheme
- Department for Consumer Education and Protection at RBI
- Consumer Forums
- Consumer Courts
- Courts
- Banking Codes and Standards Board of India
- Indian Banking Association
Rights Laid Down by RBI

- Right to Fair Treatment
- Right to Transparency
- Right to Suitability
- Right to Privacy

- Right to Grievance Redressal and Compensation
Banking Ombudsman Scheme: Goals

- To ensure redress of grievances of users of banking services in an inexpensive, expeditious and fair manner that provides impetus to improve customer services in the banking sector on a continuous basis.
- To provide policy feedback/suggestions to Reserve Bank of India towards framing appropriate and timely guidelines for banks to improve the level of customer service and to strengthen their internal grievance redress systems.
- To enhance awareness of the Banking Ombudsman Scheme.
- To facilitate quick and fair (non-discriminatory) redress of grievances through use of IT systems, comprehensive and easily accessible database and enhanced capabilities of staff through capacity building.
## Category-wise distribution of complaints
(Figures in bracket indicate %age to total complaints of respective years)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
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<tbody>
<tr>
<td>Deposit accounts</td>
<td>4032</td>
<td>4661</td>
<td>5046</td>
</tr>
<tr>
<td></td>
<td>(5.3%)</td>
<td>(5.5%)</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>Remittances</td>
<td>2659</td>
<td>2700</td>
<td>2494</td>
</tr>
<tr>
<td></td>
<td>(3.5%)</td>
<td>(3.2%)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>ATM/ Debit Cards</td>
<td>10714</td>
<td>10651</td>
<td>13061</td>
</tr>
<tr>
<td></td>
<td>(14%)</td>
<td>(12.5%)</td>
<td>(12.7%)</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>7760</td>
<td>7472</td>
<td>8740</td>
</tr>
<tr>
<td></td>
<td>(10%)</td>
<td>(8.7%)</td>
<td>(8.5%)</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>5655</td>
<td>4846</td>
<td>5399</td>
</tr>
<tr>
<td></td>
<td>(7.4%)</td>
<td>(5.7%)</td>
<td>(5.3%)</td>
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<tr>
<td>Levy of Charges without prior notice</td>
<td>4547</td>
<td>5510</td>
<td>5705</td>
</tr>
<tr>
<td></td>
<td>(5.9%)</td>
<td>(6.5%)</td>
<td>(5.5%)</td>
</tr>
<tr>
<td>Pension Payments</td>
<td>6555</td>
<td>5777</td>
<td>6342</td>
</tr>
<tr>
<td></td>
<td>(8.5%)</td>
<td>(6.8%)</td>
<td>(6.2%)</td>
</tr>
<tr>
<td>Failure to meet commitments /Non observance of Fair Practice Code/BCSBI Codes</td>
<td>20368</td>
<td>24850</td>
<td>34928</td>
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<tr>
<td></td>
<td>(26.6%)</td>
<td>(29.2%)</td>
<td>(33.9%)</td>
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<tr>
<td>DSAs and recovery agents</td>
<td>295</td>
<td>347</td>
<td>357</td>
</tr>
<tr>
<td></td>
<td>(0.4%)</td>
<td>(0.4%)</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>Notes and coins</td>
<td>63</td>
<td>61</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>(0.1%)</td>
<td>(0.1%)</td>
<td>(0.1%)</td>
</tr>
<tr>
<td>Others</td>
<td>9861</td>
<td>14482</td>
<td>16988</td>
</tr>
<tr>
<td></td>
<td>(12.9%)</td>
<td>(17%)</td>
<td>(16.5%)</td>
</tr>
<tr>
<td>Out of Subject</td>
<td>4064</td>
<td>3774</td>
<td>3751</td>
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<tr>
<td></td>
<td>(5.3%)</td>
<td>(4.4%)</td>
<td>(3.7%)</td>
</tr>
<tr>
<td>Total</td>
<td>76573</td>
<td>85131</td>
<td>102894</td>
</tr>
</tbody>
</table>
Causes of Conflicts

Banks
- Ignorance
- Negligence / Carelessness
- Fraud
- Lack of Empathy
- Highhandedness

Consumers
- Ignorance
- Anger / Frustration
- Greed
- Lack of Empathy
- High Expectations
Consumer Convenience: Role of Technology

- CBS of Banks led to anytime anywhere banking
- Net banking, mobile banking have been taking banks close to customers
- User friendly apps – for most of the banking services
- RTGS, NEFT, IMPS for convenient payments
- UPI, BHIM, Digital Wallets as innovative solutions
- Convenience, Cost Reduction and Control to Consumers???
Technology Adoption: New Concerns

- Privacy
- Cyber Frauds
- Adequacy of Cyber Security, Digital Forensics
- Cyber Police and Judiciary
- Cyber Defence at National Level
- Redressal and Compensation in case of losses in cyber frauds
Four Pillars of Cyber Security

- Governance
- Systems
- Policy
- Awareness
Awareness

Banks
- Customer service
- Products and Services
- Procedures and Practices
- Powers and Limits

Consumers
- Pros and cons of a product
- Fine prints in agreements
- Rights and Obligations
- Redressal mechanisms
Financial Services and Regulators

- Banks and NBFCs
- Insurance Companies
- Companies and Stock Exchanges
- Pensions
- RBI
- IRDAI
- SEBI
- PFRDA
wishing
the conference a great success . . .
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