



# 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

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- ▶ 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
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- 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)

Category	No of complaints received		
	2013-14	2014-15	2015-16
Deposit accounts	4032 (5.3%)	4661 (5.5%)	5046 (4.9%)
Remittances	2659 (3.5%)	2700 (3.2%)	2494 (2.4%)
ATM/ Debit Cards	10714 (14%)	10651 (12.5%)	13081 (12.7%)
Credit Cards	7760 (10%)	7472 (8.7%)	8740 (8.5%)
Loans and advances	5655 (7.4%)	4846 (5.7%)	5399 (5.3%)
Levy of Charges without prior notice	4547 (5.9%)	5510 (6.5%)	5705 (5.5%)
Pension Payments	6555 (8.5%)	5777 (6.8%)	6342 (6.2%)
Failure to meet commitments /Non observance of Fair Practice Code/BCSBI Codes	20368 (26.6%)	24850 (29.2%)	34928 (33.9%)
DSAs and recovery agents	295 (0.4%)	347 (0.4%)	357 (0.3%)
Notes and coins	63 (0.1%)	61 (0.1%)	63 (0.1%)
Others	9861 (12.9%)	14482 (17%)	16988 (16.5%)
Out of Subject	4064 (5.3%)	3774 (4.4%)	3751 (3.7%)
Total	76573	85131	102894



# Causes of Conflicts

## Banks

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

## Consumers

- ▶ Ignorance
- ▶ Anger / Frustration
- ▶ Greed
- ▶ Lack of Empathy
- ▶ High Expectations



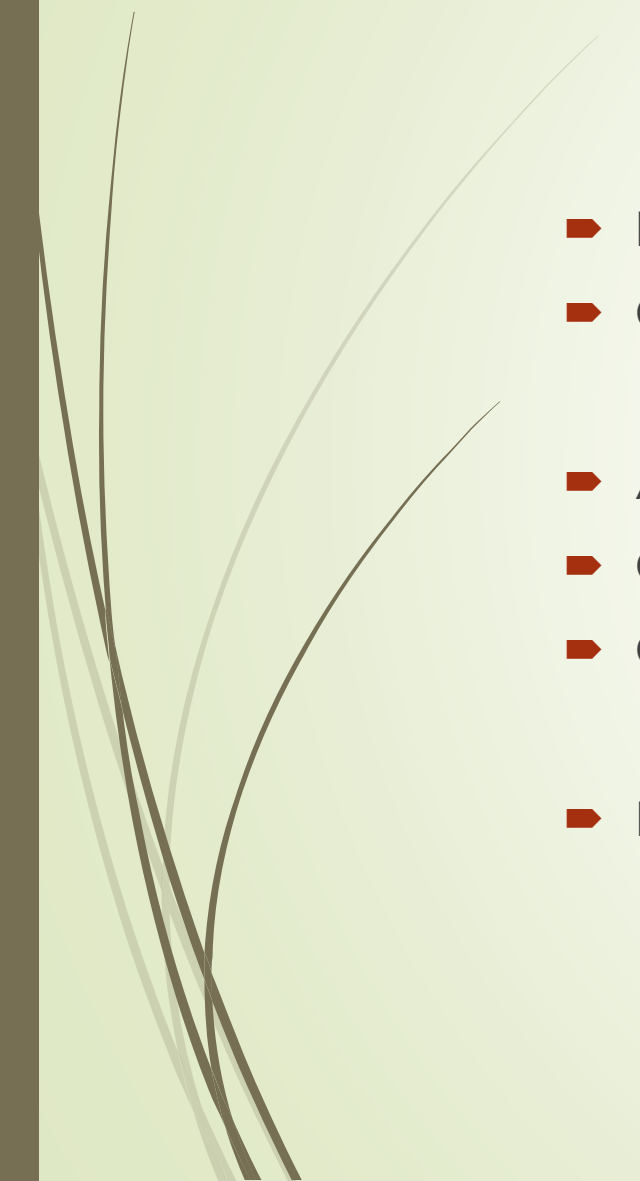


# Consumer Convenience : Role of Technology

- ▶ 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
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# Four Pillars of Cyber Security

➤ Governance

➤ Policy



➤ Systems

➤ 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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