

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:270

ANSWERED ON:11.08.2006

BETTER CUSTOMER SERVICES

Mahato Shri Sunil Kumar;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

- (a) whether the services offered to the customers by public sector-banks are deteriorating day by day;
- (b) if so, the reasons therefor;
- (c) whether Indian Banks` Association have favoured a compensation policy to customers for deficiency of services;
- (d) if so, the details thereof; and
- (e) the details of such policy and efforts made by the Government to improve the working of these banks to ensure better customer services ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e) :- A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. 270 FOR 11TH AUGUST, 2006 REGARDING BETTER CUSTOMER SERVICES, TABLED BY SHRI SUNIL KUMAR MAHATO AND SHRI NIKHIL KUMAR, M.Ps.

(a) & (c) :- No, Sir.

(b) & (d) :- Do not arise.

(e) :- Measures are taken on an ongoing basis for protection of customers` rights, enhancing the quality of customer service and strengthening grievance redressal mechanism in banks. With effect from 1st January, 2006, a revised Banking Ombudsman Scheme for redressal of grievances of banking customers has been put in place. The scope of the scheme has been enlarged to cover customer complaints in areas such as levying service charges without prior notice to the customer and non-adherence to the fair practices code as adopted by individual banks, credit card complaints, deficiencies in providing the services assured by banks and banks` sales agents, etc.

Indian Banks` Association (IBA) has formulated a Fair Practice Code for member banks to follow while dealing with individual customers which came into effect on 1st June 2004. Further, an independent Banking Codes and Standard Board of India has also been set up by the RBI in February, 2006 as an independent watchdog to ensure that banks deliver services in accordance with the Codes and Standards to which they have agreed.