

A Study of Grievance Redressal Mechanism in Banking Industry in India

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Abstract

“Customer service is a business need of banks and not social service.” Customer must have the right to access banking services and to the grievance redressal machinery - to banks' internal mechanism for grievance redressal as well as the Banking Ombudsman Scheme of the Reserve Bank - so that they are not 'excluded' from the banking fold. Grievances are an important input into regulatory and supervisory process for the banking industry. Therefore, it is imperative to check on the working and operation of the Banking Ombudsman Scheme and to ascertain the lacking behind it. This paper makes an effort to evaluate the efficiency of customer grievance redressal management system in banking industry i.e. Banking Ombudsman. Apart for this, effort has been made to find out the way to reduce the customer complaints.

Keywords: Office of Banking Ombudsman (OBO), Maintainable complaint, Grievance Redressal, Disposal by Award.

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Introduction

Customer is the centre of every business organisation whether it is manufacturing sector or service sector. Today, consumer is very much conscious about what he is receiving for the price he is paying. This results into manufacturing and delivering of quality product at a reasonable cost. Even then, it is a challenging and herculean task to satisfy and retain the customer with the organisation. Due to liberalisation and drastic change in technology the working of the organisations has changed significantly. This technological change pushed the banking industry to provide value added banking services to their customers by the help of technical development, better communication system and highly efficient information technology. The customers are also becoming tech- friendly and it resulted in the increased customer expectations by the banks. Today, bank customers are focusing on three A's (Anytime, Anywhere, Anyhow Banking). Almost all the banks are providing their products and services equipped with modern technology because not a single bank wants to lose their customers dissatisfied by poor banking services.

Before liberalisation the approach of bank was product-

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centric which has been changed to customer-centric. Now, banks are taking care of the present and future requirements of each and every customer to satisfy and retain him. Even then the customer complaints are increasing which is a sign that the expectations of customers are increasing and banks have to set a strong mechanism for redressing their complaints.

With the initiation of economic reforms coupled with financial sector reforms the level and intensity of competition in banking industry have gained added significance. Now, the monopoly of public sector banks is no more in existence. The entry of new private banks and foreign banks has also increased the level of competition. Consequently, the banking scene in the country is taking a new shape. The old adage 'survival of the fittest' is coming back. Owing to increasing level of

literacy and growing income followed by the advancement in the field of information and communication technology, the banking customers are becoming more and more informed and choosy. With a view to achieving organisational goals, it is imperative for the banking industry to formulate and implement effective marketing strategy.

Mr. S. S. Mundra, Former RBI deputy governor once stated that “Customer service is a business need of banks and not social service.” Customers must have access to banking services as well as the grievance redressal machinery - both the banks' internal grievance redressal mechanisms and the Reserve Bank's Banking Ombudsman Scheme - so that they are not 'excluded' from the banking fold. The Reserve Bank of India (RBI) notified the Banking Ombudsman Scheme in 1995 under Section 35 A of the Banking Regulation Act, 1949. It has been revised multiple times over the years, the most recent being in July of 2017.

Recently, Reserve Bank of India integrated the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme). The Scheme came into force from November 12, 2021. The Scheme covers the following regulated entities:

- All Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Co-operative Banks and Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above;
- All Non-Banking Financial Companies (excluding Housing Finance Companies) which (a) are having the right to accept deposits; or (b) have customer interface, with an assets size of Rupees 100 crore and above;
- All System Participants as defined under the Scheme.

Literature Review

Rajan, R G (2016), Ex-Governor, Reserve Bank of India, had discussed at “Annual Conference of Banking Ombudsmen 2016” about the Charter of Customer Rights. He emphasised to banks the importance of incorporating the Grievance Redressal Mechanism into their business operations. He went on to say that because grievances are an important input into regulatory and supervisory processes, customers must have easy access to the grievance redressal machinery. It is not required of having high level of automation to access this system which will do possible easy access with low cost of grievance redressal.

Chahal & Dutta (2014) in their paper entitled “Measurement and Impact of Customer experience in Banking Sector” made an effort to measure customer experience and its impact on satisfaction, brand equity and word of mouth in banking sector. Their study concluded that customers prioritise the CAB (cognitive, affective, and behavioural) factor, followed by relational experience and sensory experience, all of which have a significant impact on creating a positive customer experience.

Ramchandran & Chidambaram (2012) in their paper entitled “A review of customer satisfaction towards service quality of banking sector” attempted to summarize the results of literature review on customer satisfaction towards the services of a bank from five different perspectives namely, service encounters, waiting time of the customer to get the service, role of intermediaries, quality of service provided by the bank and customer complaints towards the bank. They concluded that attraction, retention and enhancement of the customer relationship are essential to maintain, delighted and committed customers, who form the basis for the sustainable competitive position of the bank. Impact of service encounters, role of intermediaries, quality of service, waiting time and customer complaints are considered essential for an organization to find out the gaps in the perceptions and expectations of the customers.

Uppal, R K (2010) in his paper entitled “Customer complaints in banks: Nature, extent and strategies to mitigation” analyzed the extent of complaints in three

types of bank groups, namely: public sector banks, Indian private sector banks and foreign banks. He concluded that the numbers of complaints are maximal in public sector banks and the maximum complaints are related to deposit, credit cards and housing loans. His study is related to 2006 - 2007 and 2007 – 2008 in which it is intended to solve these complaints with different methods.

Siddiqui & Tripathi (2010) in their article attempted to profile and segment bank customers on the basis of complaining attitudes and perception of complaint handling mechanisms of banks. Their study aims at improving the efficacy of complaint handling mechanism of a bank, and consequently its overall service quality. Complaint Management System and bank policies related to satisfactory handling of complaints, vary from case to case. However, the commitment and continuing involvement of bank management is critical for successful complaint resolution and optimum use of complaints as a management tool.

Research Methodology

Research Design: The present study is a descriptive research to evaluate the efficiency of customer grievance redressal mechanism created by Reserve Bank of India, i. e. Banking Ombudsman Scheme. For this purpose, data had been collected through secondary sources. The major sources of data were published Annual Reports of Banking Ombudsman Scheme, Journals Published by Indian Bank's Association, and Reserve Bank of India websites. The data was analyzed using trend analysis and percentage method to check the effectiveness of Banking Ombudsman Scheme.

Objectives of the Study

- To appraise the performance of Banking Ombudsman Scheme

- To find out measures to reduce the customer complaints.

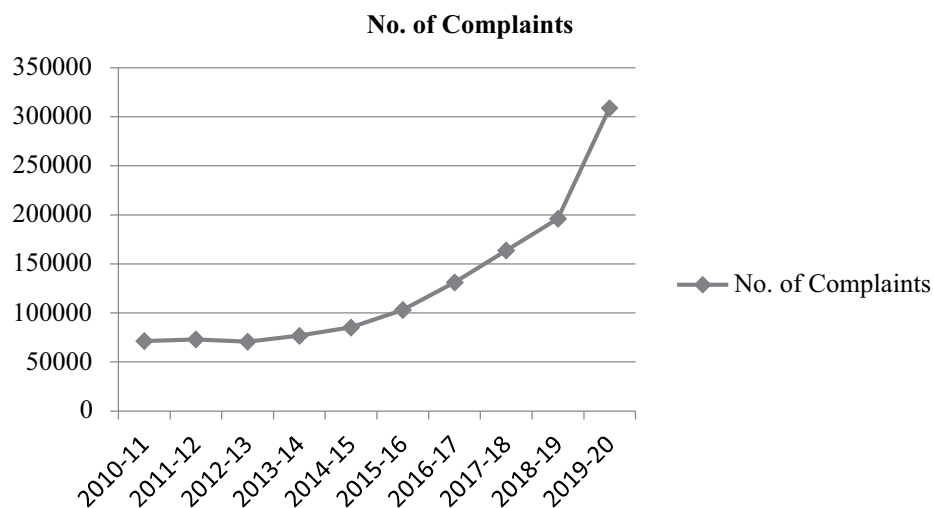
Analysis and Discussion

Complaints indicate the level of services, the behaviour of employees, the process involved in availing of services and the image of organisation. The image and performance of a bank may also be assessed on the basis of receipt of complaints and their redressal. Normally, the banking customers in our country do not lodge complaints even if the issue is serious. However, a bank customer, in the case of any problem regarding products and services, informally contact the appropriate authorities of the particular bank and makes effort to resolve the problem. Rarely, he/she approaches to the higher authority or the Bank Ombudsman. This study attempts to analyse the trend & nature of customer complaints in different bank groups and also region-wise receipt of complaints and to evaluate the mechanism of their effective disposal.

Receipt of Complaints

The complaints received by the Bank Ombudsman during 2010-11 – 2019-20 are presented in Chart 1. The year-wise number of complaints received at OBOs reveals that there is an increasing trend except in the year 2012-13. An analysis of the table shows that during the period under study the total number of complaints received by the Bank Ombudsman offices witnessed more than four-times growth – from a little over 70 thousand in 2010-11 to more than 3 Lacs in 2019-20. It is also very important to mention it here that in 2019-20, Bank Ombudsman offices witnessed an increase of 57.54 % over the complaints received in previous year.

Chart 1: No. of Complaints received by OBOs



Source: Official website of Reserve Bank of India

Bank Group-wise Receipt of Complaints

Bank group-wise complaints have also increased sharply during the period under study. From Table 1, it is observed that the share of different banks (group-wise) has varied.

In the year 2010-11, SBI Group accounted for the highest share (31 %) in the total complaints received by Bank Ombudsman followed by the nationalized banks (29%), private sector banks (24%), foreign banks (10%) and the rest shared by other categories of banks. In the

year 2019-20, the share of the SBI Group and the nationalized banks in the total complaints came down, but that of the private sector banks increased significantly. The private sector banks in the matter of complaints went up to the first place with about 32 per cent share followed by the nationalized banks with about 30 per cent share and SBI Group with 30 per cent share. The share of foreign banks has also decreased to about 2 per cent in 2019-20 from 10 per cent in 2010-11. As regards the absolute number of complaints, these have been increasing from one year to another.

Table 1: Bank Group-wise Receipt of Complaints

Bank Group	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Nationalized Banks	20417	22326	21609	24391	28891	35447	45364	54970	61755	92503
	(29)	(31)	(31)	(32)	(34)	(35)	(35)	(34)	(31.52)	(29.97)
SBI Group	22307	25848	23134	24367	26529	29585	35950	46993	59522	91584
	(31)	(35)	(33)	(32)	(31)	(29)	(27)	(29)	(30.38)	(29.67)
Private Sector Banks	17122	15090	15653	17090	19773	26931	35080	42443	54922	98623
	(24)	(21)	(22)	(22)	(23)	(26)	(26.5)	(26)	(28.04)	(31.96)
Foreign Banks	7081	5068	4859	5016	3406	3413	3284	3850	4196	5935
	(10)	(7)	(7)	(6.5)	(4)	(3)	(2.5)	(2)	(2.14)	(1.92)
RRBs/Scheduled Primary Co-op. Banks	1130	1439	1489	1590	1966	2293	2481	3229	3660	6060
	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(1.97)	(1.87)	(1.96)
Others*	3217	3118	3797	4179	4566	5225	8828	11632	10092	8698
	(4)	(4)	(5)	(5.5)	(6)	(5)	(7)	(7)	(5.15)	(2.82)
Total	71274	72889	70541	76573	85131	102894	130987	163590*	195901*	308630*
	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)

Note: Figures in bracket indicate %age to total complaints of respective years.

*included 473 (0.03%) during 2019-18, 1754 (0.90%) during 2018-19, and 5227 (1.69%) during 2019-20 of Payments and small Finance Banks.

Source: Official website of Reserve Bank of India.

Population Group-wise Receipt of Complaints

The offices of the Bank Ombudsman receive complaints from all the customers of different banks operating in the country. The population group-wise distribution has

been done by dividing the country into four groups. These are rural, semi-urban, urban and metropolitan. The region-wise receipt of complaints has been presented in Table 2.

Table 2: Population group-wise Distribution of Complaints

Year	Population Group				Total
	Rural	Semi-urban	Urban	Metropolitan	
2010-11	7816	10816	21218	31424	71274
	(11)	(15)	(30)	(44)	(100)
2011-12	8190	11982	24565	28152	72889
	(11)	(16)	(34)	(39)	(100)
2012-13	8598	10868	24246	26829	70541
	(12)	(16)	(34)	(38)	(100)
2013-14	9927	12314	25448	28884	76573
	(13)	(16)	(33)	(38)	(100)
2014-15	11484	13363	30710	29574	85131
	(13)	(16)	(36)	(35)	(100)
2015-16	12420	15048	42994	32432	102894
	(12)	(15)	(42)	(31)	(100)

Year	Population Group				Total
	Rural	Semi-urban	Urban	Metropolitan	
2016-17	17458 (13.5)	17040 (13)	59721 (45.5)	36768 (28)	130987 (100)
2017-18	20600 (12.59)	1850 (11.35)	81124 (49.59)	43296 (26.47)	163590 (100)
2018-19	22862 (11.67)	23629 (12.06)	94745 (48.36)	54665 (27.90)	195901 (100)
2019-20	30979 (10.04)	56286 (18.24)	70081 (22.71)	151284 (49.02)	308630 (100)

Source: Official web site of Reserve Bank of India.

(Figures in bracket indicate percentage to total complaints of respective year)

It is evident from the table that the number of complaints from different regions has been increasing. In the year 2010-11, complaints regarding banks operating in the metropolitan area were highest among the groups. Second place was occupied by the urban area which was followed semi-urban area and rural area in case of number of complaints received. Out of the total complaints received in the year 2010-11, 44 per cent were related to metropolitan area, 30 per cent to urban area, 15 per cent to semi-urban area and 11 per cent to rural area.

The situation took a virtual topsy-turvy in the year 2017-18. During this year, the share of the complaints from metropolitan area came down to a little over 26 per cent. The number of complaints from urban area increased highly, from 21218 in 2010-11 to 81124 in 2019-20. The share of urban area, thus, went up to about 50 per cent in the total complaints received. But after two years, again the share of metropolitan area increased to more than 49 per cent in the total complaints received followed by urban (22.71%), semi-urban (18.24%) and rural areas (10.04%).

Nature of Complaints

The Bank Ombudsman offices receive different types of complaints of the customers of the banks. The major complaints are related to deposit accounts, remittances,

credit cards, loans and advances, charges without notice, pension, failure to meet commitments, DSAs and recovery agents, notes and coins, etc. Table 3 presents the nature of complaints received by the offices of the Bank Ombudsman.

It is evident from the table that 31.27 per cent of the total complaints are related to ATM / Debit cards (21.97%) and credit cards (9.30%) followed by mobile / e-banking (added from the year 2017-18), non-observance of FPC, failure to meet commitments, charges without notice, loans and advances, non-adherence of BCSBI Codes, deposit accounts, pension payment, remittances, and DSAs and recovery agents.

It may be noted that during the year 2010-11 – 2012-13, complaints relating to credit cards include complaints related to debit cards and ATM cards also. Card-related complaints include things like issuance of unsolicited credit cards and unsolicited insurance policies and recovery of premium charges, charging of annual fee despite being offered as 'free' card and issuance of loans over phone, disputes over wrong billing, settlement offers conveyed telephonically, non-settlement of insurance claims after the demise of the card holder, abusive calls, excessive charges, wrong debits to account, non-dispelling of cards. The reason behind all these complaints is non-transparency and mis-selling by the banking organizations.

Table 3: Category-wise receipt of Complaints

Nature of Complaints	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
ATM / Debit Cards	17116 (24)	14492 (21)	17867 (25)	10714	10651	13081	16434	24672	36539	67800
(24.1)				(12.5)	(12.70)	(12.55)	(15.08)	(18.65)	(21.97)	
Credit Cards				7760	7472	8740	8297	12647	13274	28713
				(10)	(8.7)	(8.50)	(6.33)	(7.73)	(6.78)	(9.30)
Mobile / electronic banking	-	-	-	-	-	-	-	8487	14794	41310
								(5.19)	(7.55)	(13.38)
Non-observance of FPC	16302 (23)	18365 (25)	18130 (26)	20368 (26.6)	24850 (29.2)	23740	31769	36146	37557	36215
(23.10)						(24.25)	(22.10)	(19.17)	(11.73)	
Failure to meet commitments						7977	8911	11044	13332	25036
(7.80)						(6.80)	(6.75)	(6.81)	(8.11)	
Non-adherence o BCSBI Codes						3211	3699	3962	5981	14194
						(3.10)	(2.82)	(2.42)	(3.05)	(4.60)
Levy of charges without prior notice	4149	3806	3817	4547	5510	5705	7273	8209	8391	18558
	(6)	(5)	(5)	(5.9)	(6.5)	(5.50)	(5.55)	(5.02)	(4.28)	(6.01)
Loans and Advances	4564	6016	5996	5655	4846	5399	5559	6226	610	16437
	(6)	(8)	(9)	(7.4)	(5.7)	(5.30)	(4.24)	(3.81)	(3.88)	(5.33)
Deposit Accounts	1727	8713	3913	4032	4661	5046	7190	6719	10844	8778
	(2)	(12)	(6)	(5.3)	(5.5)	(4.90)	(5.49)	(4.11)	(5.54)	(2.84)
Pension Payments	5927	5944	5740	6555	5777	6342	8506	7833	7066	6307
	(8)	(8)	(8)	(8.5)	(6.8)	(6.20)	(6.49)	(4.79)	(3.61)	(2.04)
Remittance	4216	3928	2664	2659	2700	2494	3287	3330	3451	4045
	(6)	(5)	(4)	(3.5)	(3.2)	(2.40)	(2.51)	(2.04)	(1.76)	(1.31)
DSA & Recovery Agents	1722	459	351	295	347	357	330	554	629	1406
	(2)	(1)	(0.8)	(0.4)	(0.4)	(0.30)	(0.25)	(0.34)	(0.32)	(0.46)
Para Banking	-	-	-	-	-	-	-	579	1115	1117
								(0.35)	(0.57)	(0.36)
Notes & Coins	146	165	56	63	61	63	333	1282	480	514
	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.10)	(0.25)	(0.78)	(0.25)	(0.17)
Others	7201	7327	8635	9861	14482	16988	23169	26219	28330	29204
	(10)	(10)	(12)	(12.9)	(17)	(16.50)	(17.69)	(16.03)	(14.46)	(9.46)
Out of Subject	8204	3674	3372	4064	3774	3751	6230	5681	6508	8996
	(11)	(5)	(5)	(5.3)	(4.4)	(3.70)	(4.76)	(3.47)	(3.32)	(2.91)
Total	71274	72889	70541	76573	85131	102894	130987	163590	195901	308630

Source: Official web site of Reserve Bank of India.

Note: Figures in bracket indicate %age to total complaints of respective years.

The table reveals that non-observance of fair practices code was major ground for complaints till 2014-15 as failure to meet commitments and non-adherence of BCSBI Codes were also included in it. From 2015-16, percentage share of non-observance of fair practices code started declining from 23.10 per cent to 11.73 per cent in the year 2019-20. However, number of complaints pertaining to 'mis-selling' has gone up from 579 complaints in 2017-18 to 1,117 complaints during the year 2019-20, showing an increase of 92.92%.

Comparative Position of Disposal of Complaints by OBOs

It has been mentioned earlier that total complaints received by OBOs in the year 2019-20 have increased by 57.54 per cent and the same with its disposal. Table 4 indicates that the OBOs have disposed of 21,391 more complaints during this year with the same resources available with them. Although, rate of complaint disposal is showing a decreasing trend from last three

years as it was 96.46 per cent in 2017-18, 94.03 per cent in 2018-19 and 92.36 per cent in 2019-20.

Analysis of the table also reveals that maintainable complaints and non-maintainable complaints sharing almost equal portion in total number of complaints handled, except in 2012-13, 2013-14 and 2019-20.

'Non-maintainable' complaint is one that does not fall under the reason for the complaint in Section 8 of the scheme, and one that does not follow the procedure for filing a complaint in accordance with Section 9 of the BOS. The OBO will send such complaints back to the complainant stating the reasons and send a copy to the bank for proper processing.

Table 4: Comparative Position of Disposal of Complaints by OBOs

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Complaints brought forward from the previous year	5364	4618	4642	5479	3307	3778	5524	11215	6182	12069
Complaints received during the year	71274	2889	70541	76573	85131	102894	130987	163590	195901	308630
Total Number of complaints handled	76638	77507	75183	82052	88438	106672	136511	174805	202083	320699
of which Not maintainable	36521 (51)	35430 (49)	30304 (43)	33923 (43)	41625 (49)	50961 (50)	62575 (50)	85091 (50.46)	99750 (52.50)	122243 (41.27)
Maintainable complaints	35499 (49)	37455 (51)	39400 (57)	44822 (57)	43035 (51)	50187 (50)	62539 (50)	83532 (49.54)	90264 (47.50)	173958 (58.73)
Complaints disposed	72020	72865	69704	78745	84660	101148	125296	168623	190014	296201
Complaints pending at the end of the year	4618	4642	5479	3307	3778	5524	11215	6182	12069	24498
Rate of disposal (%)	94	94	93	96	96	95	92	96.46	94.03	92.36

Source: Official web site of Reserve Bank of India.
(Figures in bracket indicate percentage to total complaints of respective year)

Disposal of Maintainable Complaints

The office of the Ombudsman makes efforts to dispose of the complaints at its own level according the nature of complaints. Normally, the maximum complaints are

disposed of by mutual agreements / settlements and relevant complaints are also disposed by award. Table 5 gives the number of complaints disposed of by the Ombudsman either by award or by mutual agreement.

Table 5: Mode of disposal of Maintainable Complaints

Year	Total Maintainable Complaints	Disposal by Mutual Settlement/ Agreement	Disposal by Award	Maintainable Complaint rejected	Maintainable Complaint withdrawn
2010 -11	35499	21269 (60)	278 (1)	13952 (39)	
2011 -12	37455	20092 (54)	327 (1)	17036 (45)	
2012 -13	39400	19883 (50)	312 (1)	19205 (49)	
2013 -14	44822	19469 (43.5)	207 (0.5)	24960 (55.6)	186 (0.4)
2014 -15	43035	16893 (39.3)	8 (0.2)	25976 (60.3)	9 (0.2)
2015 -16	50187	18031 (35.93)	18 (0.04)	31946 (63.65)	192 (0.38)
2016 -17	62539	26535 (42.43)	31 (0.05)	35792 (57.23)	181 (0.29)
2017 -18	83532	54987 (65.83)	133 (0.16)	28259 (33.83)	153 (0.18)
2018 -19	92264	64470 (69.88)	98 (0.11)	26905 (29.16)	791 (0.86)
2019 -20	173958	125836 (72.34)	68 (0.04)	47873 (27.52)	181 (0.10)

Source: Official web site of Reserve Bank of India.
(Figures in bracket indicate percentage to total complaints of respective year)

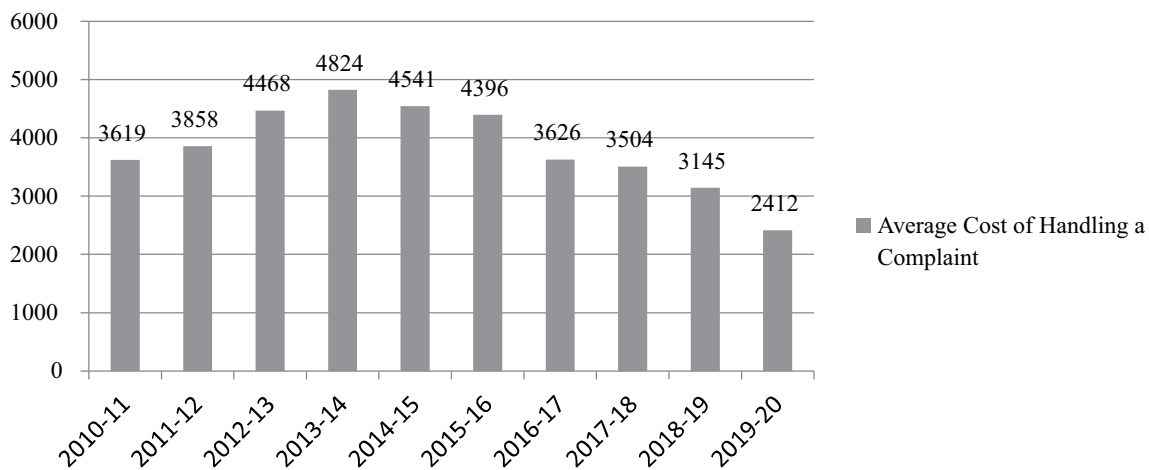
The table shows that maximum complaints were settled by mutual agreement during the period under study. Number of complaints settled by issuing awards was very less as BO offices issued only 68 awards during the year 2019-20 against 125836 complaints were settled by mutual agreement. Lesser number of awards issued by the BOs may be attributed to the bank's attempt to resolve the complaints before issue of awards, since receipt of awards is considered as un-desirable. The table also reveals that there is a decreasing trend in maintainable complaints rejected or withdrawn as its share in total maintainable was highest in the year 2015-16 with 64.03 per cent which came to 27.62 per cent in the year 2019-20.

Cost of Handling Complaints

The Banking Ombudsman Schemes was launched by

RBI in the year 1995 to ensure consumer protection through effective grievance redressal for customers of Regulated Entities. RBI will bear all costs for operating BOS. Cost Includes income and capital expenditures for management of BOS. Average cost of handling a complaint is an important indicator to check the efficiency of this scheme. Chart 2 provides the insights related to the pattern and trend of average cost of handling a complaint. It depicts that during the period under study, initially average cost was in increasing trend till 2013-14, but after this, it started to decline. It is observed from the chart that during the year 2019-20, average cost of handling a complaint decreased by 23.31 per cent from Rs. 3145 in 2018-19 to Rs. 2412 in 2019-20. The decline was mainly due to the handling of increased volume of complaints by the OBOs with the same level of resources as available during the previous year.

Chart 2: Average Cost of Handling a Complaint



Source: Official website of Reserve Bank of India.

Measures to Reduce Customer Complaints

Today, all the banks are much conscious about customer complaints as increasing number of complaints hamper the business growth and performance of banking industry. Apart from this, image of the bank is also vanished in the national and international market. The major causes of the complaints are lack of sensitivity, transparency and need for improved Most Important Terms & Conditions (MITC) at the point of sales which need to be considered by the bank on priority basis.

Reserve Bank of India took several steps to reduce the

customer complaints, like organising regular meetings and conferences with consumer professionals / activists, Nodal Officers of the banks and Credit Information Companies to check the developments in the sphere of Consumer Education and Protection, conducting consumer education and awareness programmes, and arranging meetings with media to share the information regarding BO Scheme.

It is evident from the study that customer dissatisfaction is mounting high regarding banks, their services and the behaviour of bank staffs. This demands to create and maintain corporate culture that may provide excellent

customer services. Under corporate culture, every employee is trained to perform every task. By it, employees' boredom may be reduced as they perform multiple tasks every day. Customer service level, employee productivity, profitability and efficiency will also improve by the adoption of corporate culture. At micro level, there is a need to continually measure and reward the bank employees for providing better customer services at a departmental level.

Conclusion

It is already proven that the success of the banks is highly dependent on the satisfaction level of their customers. That's why it is imperative to redress their complaints effectively for the existence, development and further growth of the banks. In the present competitive era, banks are now taking special care to solve these issues by adopting latest technologies and by hiring young employees and also by providing them with the training to handle such issues. RBI, through Banking Ombudsman, ensures quick redressal of customer complaints. Customer grievance redressal much have been set up in all the banks under this scheme to address to customer complaints at very initiative level.

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