

BANKING OMBUDSMAN SCHEME: A CRITICAL EVALUATION

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ABSTRACT

Specifically, with changes to the financial sector's monetary system and the implementation of new age innovation, consumer assistance has been the challenging task in the financial industry. One of the main strategies used by commercial banks to entice and retain new customers is to provide prompt and efficient help. The Reserve Bank of India has also prioritised making banks more customer-friendly. The Reserve Bank of India has taken countless steps in this direction, including the deregulation of loan fees, the deregulation and installation of ATMs, the adoption of the Fair Practices Code (Lender's obligation), the issuance of rules for the treatment of card items, the execution of implicit rules for Direct Selling Agents (DSA) and Direct Recovery Agents (DRA), and the establishment of a direct selling agency. All commercial banks now have their own complaint redressal cells to handle the grievances of their clients as a result of the RBI's initiatives. In any event, banks may fail to respond to customers' complaints in a timely manner, which might leave customers disappointed. The consumer is now having trouble deciding where to file a complaint over the inadequate services provided by the banks. Due to the lengthy process and high costs involved in settling lawsuits, courts may not be the best option. By establishing the Bank Ombudsman in India, the Reserve Bank of India has provided a different structure to address the grievances of the consumers.

KEYWORDS: *RBI, Ombudsman, Banking Ombudsman, Banking Regulation Act 1949 and Banking Ombudsman Scheme 2006*

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