

THE IMPACT OF BANKING OMBUDSMAN SCHEME ON INDIAN BANKING INDUSTRY

S.SIRISHA¹& P. MALYADRI²

¹Assistant Professor, ITM, Business School, Warangal, Telangana, India

²Principal, Government Degree College, Patancheru, Osmania University, Hyderabad, Telangana, India

ABSTRACT

Customer service has been the challenging job in Indian banking industry, specifically, after the financial sector reforms and implementation of new age technology. Providing prompt and efficient service is on the top agenda of commercial banks to attract and retain the new customers.. Providing efficient and hassle-free banking services has been one of the important priorities pursued by the Reserve Bank. A separate full-fledged Customer Service Department was set up within the Reserve Bank in July 2006 to oversee the grievance redressal mechanism of various banks and to enhance the pace and quality of provision of customer services, while providing customers a forum for redressal of their grievances. AS a result the Reserve Bank has institutionalized and administered the Banking Ombudsman (BO) scheme to provide an expeditious and inexpensive forum to bank customers for resolution of their complaints relating to deficiency in banking services. The present paper aims to study and analyze the impact of Banking Ombudsman Scheme on Banking Industry provided by bank group wise in general and selected categories in particular. For this purpose Ranking and CAGR have been employed. The period of the study is for seven years i.e. from 2007-2013 and the data for the study is collected from secondary sources. The study indicates that the number of complaints against banking institutions has been increasing under the Banking Ombudsman Scheme. No doubt, the scheme will gain more popularity in future and its impacts on service quality by banks will be positive

KEYWORDS: Banks, Complaints, Grievances, Ombudsman, Redress, Public Sector Banks (PSB)