

## COMPLAINTS AND REDRESSAL: A STUDY AMONG THE CATEGORIES OF BANKS

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### ABSTRACT

*The Indian banking sector is trying to meet new challenges and complaints from customers. The grievance redressal mechanism is become key components of banking operation to retain the customers in the present scenario. The indices have been matched the complaints received with their timely handling of complaints and addressing them also. The foreign banks performed in good position, which is noticed by declining index. The proportion of complaints in foreign banks accounted to be around 4.0 percent with declining trend in total complaints. On the whole, among the categories of banks, foreign banks have the lowest numbers of complaints against the services offered by them. The findings of the study help to judge the efficacy of the Banking Ombudsman Scheme and useful for various stakeholders i.e. RBI, banks and customers etc.*

**Keywords:** Commercial Banks, Banks Complaints, Ombudsman Scheme and Indices.

### Introduction

Excellence in customer's service is pin-point for sustained business growth. Customer's complaints and their redressal are the part of banking business life as well as any corporate entity. In competitive banking scenario, banks are more inclined towards banking business, which cause the ignorance of banking norms and responsible for grievances. In the wake of the failure in quick and perfection in services of banks, RBI in 1995 launched banking ombudsman scheme for the prompt and courteous services and also to protect the customer's interest. This scheme is applicable all the banks over the India. The study tries to evaluate the effectiveness of the banks ombudsman as a redressed body.

### Review of Literature

**Shankar (2004)** observed that customer's satisfaction is an invaluable assets and future of business.

**Singh (2011)** examined the substantial increase in numbers of complaints received by the Bank Ombudsman Offices and resulted good faith of customers in Ombudsman.

**Kaura (2013)** confirmed that properly handling of complaints enhances the credibility and trust for the bank.

**Roy (2016)** noticed that quality of services and happy customers are the primary factor in developing their business.

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**Pranam and Bidhan Baidya (2017)** found that complaints resolved by Bank Ombudsman office is obviously more than, which reflects the complaints handled and settled efficiently by OBOs

**Kant (2019)** concluded that satisfied customers carry their business with one bank and have positive feeling towards the bank.

**Gupta and Jaiswal (2020)** addressed that private bank performed better than public sector banks on customer's satisfaction.

**Objectives of the Study**

- To analyze the complaints received and disposed at OBOs.
- To assess the index of complaints among the categories of the banks.
- To analyze the composition of complaints among the categories of the banks.

**Methodology**

The data input in the study is secondary data and pertaining the period of seven years. The data have been collected from various reports in the official website of Reserve Bank of India and Annual Reports of the BOS. The compiled data have been analyzed through statistical and financial tools such as mean, co- efficient of variation indices, trend, ratio and percentage in the light of the objectives. The study includes nationalized banks, SBI and its associates, private sector banks, foreign banks and others banks to analysis the efficacy of BOS of the RBI.

**Analysis and Discussion**

**Table 1: Analysis of Complaints Received and Disposed at OBOs**

Year	Complaints Received		Complaints Disposed		Complaints Pending	
	Received	Index	Disposed	Index	Pending	Index
2012-13	75183	100.00	69704	100.00	5479	100.00
2013-14	82052	109.14	78745	112.97	3307	60.35
2014-15	88438	117.63	84660	121.46	3778	68.95
2015-16	106672	141.88	101148	145.11	5524	100.82
2016-17	136511	181.57	125296	179.75	11215	204.60
2017-18	174805	232.51	168623	241.91	6182	112.83
2018-19	202083	268.79	190014	272.60	12069	220.27

Source: RBI's Annual Report on Banking Ombudsman Scheme

Table 1 shows the analysis of complaints received and disposed at the offices of Banking Ombudsman (OBO) over the seven years period of the study. The customer's complaints have increased 2.69 times. The index of complaints disposed of has noticed to be 2.72 times. The decline index of complaints pending has been observed in the study. It means that there is not much difference in the index figure of complaints received and disposed of over the period of study. That is the reason, RBI on its own is also spreading awareness amongst customers to forward any unsolved complaints to such forums. Hence, customer's complaints have been duly resolved by the officers and customer's grievance redressal has matched the number of complaints arising in any particular year.

**Table 2: Bank-Wise Growth Analysis of Complaints in Indian Banking System**

Year	Nationalized Banks	Index	SBI and its Associates	Index	Private Sector Banks	Index	Foreign Banks	Index	Others	Index
2012-13	21609	100.00	23134	100.00	15653	100.00	4859	100.00	5286	100.00
2013-14	24391	112.87	24367	105.33	17030	108.79	5016	103.23	5769	109.14
2014-15	28891	133.69	26529	114.67	19773	126.32	3406	70.09	6532	123.57
2015-16	35447	164.04	29585	127.89	26931	172.09	3413	70.24	7518	142.22
2016-17	45364	209.93	35950	155.39	35080	224.11	3284	67.59	11309	213.94
2017-18	54970	254.38	46993	203.13	42443	271.15	3850	79.23	14861	281.14
2018-19	61755	285.78	59522	257.29	54922	350.87	4196	86.35	13752	260.18
Mean	38918.14		35011.4		30261.7		4003.4		9289.6	
C.V.	0.37		0.36		0.45		0.16		0.39	

Source: RBI's Annual Reports on Banking Ombudsman Scheme

Table 2 reveals the growth analysis of complaints in nationalized banks, SBI and its associates, private sector banks, foreign banks and others banks in Indian banking system. The growth of complaints in nationalized banks has risen 2.86 times with C.V. value 0.37. The index of complaints in SBI and its associates have seen 2.57 times with C.V. value 0.36. The complaints of private sector banks index have grown 3.51 times with C.V. value 0.45. The decline index of complaints in foreign banks has been noticed with C.V. value 0.16 over the periods of the study. The C.V. value 0.16 proves the slightly variation in the growth of complaints. The other banks complaints have grown 2.60 times with C.V. value 0.39. It can be inferred that foreign banks have done a good work by containing complaints against them and reflects a declining index of complaints. It is positive single for the banks.

**Table 3: Bank-Wise Composition Analysis of Complaints in Indian Banking System**

Year	Nationalized Banks	%	SBI and its Associates	%	Private Sector Banks	%	Foreign Banks	%	Other Banks	%	Total
2012-13	21609	31.07	22134	31.83	15653	22.51	4859	6.99	5286	7.60	69541
2013-14	24391	31.85	24367	31.82	17030	22.24	5016	6.55	5769	7.53	76573
2014-15	28891	33.94	26529	31.16	19773	23.23	3406	4.00	6532	7.67	85131
2015-16	35447	34.45	29585	28.75	26931	26.17	3413	3.31	7518	7.31	102894
2016-17	45364	34.63	35950	27.45	35080	26.78	3284	2.51	11309	8.63	130987
2017-18	54970	33.70	46993	28.81	42443	26.02	3850	2.36	14861	9.11	163117
2018-19	61755	31.81	59522	30.66	54922	28.29	4196	2.16	13752	7.08	194147
Mean		33.06		30.07		25.03		3.98		7.85	
C.V.		.04		.05		.09		0.47		.09	

Source: RBI's Annual Reports on Banking Ombudsman Scheme

Table 3 depicts the composition analysis of complaints in Indian banking system. The proportion of complaints in public sector banks noticed to be 63 percent in total complaints, out of which about 30 percent against SBI and its associates' group. The ratio of complaints in private sector bank observed to be 25 percent in total complaints. The proportion of complaint in foreign banks recorded to be around 4 percent in total complaints received. The other banks contributed 7.85 percent of the total complaints. It proved that marginally upward trend in the complaints received of public and private sector banks. The foreign banks fared well and reflecting a declining trend over the study periods. It may be inferred that mechanism developed by foreign banks is geared to task.

### Conclusion

Banks are striving hard to introduce innovative deliverables to lure and retain their customers on one hand and to reduce cost and increase profit on the other hand. Indian banking sector is trying to meet new challenges and complaints from customers. The results reveal that there is not much difference in the index figure of complaints received and disposed of over the periods of the study. Customer's complaints have been duly resolved by the officers and customer's grievance redressal matched the number of complaints arising. The foreign banks worked in good position that is witnessed by declining index. The proportion of complaints in foreign banks noticed to be around 4.0 percent in the total complaints with declining trend. On the whole, foreign banks have done a good job by containing complaints against them. The study helps to judge the efficacy of the Banking Ombudsman Scheme and useful for various stakeholders i.e. RBI, banks and Customers etc.

### Scope for Further Research

This study is limited to bank group –wise distribution of complaints received. Further studies can analyzed the complaints regarding group of population, mode of complaints and complainant's group–wise etc.

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