

Reserve Bank of India Integrated Ombudsman Scheme (RB-IOS)

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Economy

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The **Reserve Bank of India's Integrated Ombudsman Scheme (RB-IOS)** has recently witnessed an upsurge in complaints in FY23, highlighting increased public engagement and areas of concern within the banking and financial sectors.



[ref-Business standard]

Key Highlights:

- **Main causes of complaints:** Mobile/electronic banking, loans, ATM/debit cards, credit cards, pension payments, remittances, and para banking services.
- **Large public sector banks** received the **highest** number of **complaints** in **absolute terms** but showed better performance in complaints per branch as compared to **several private banks**.
- **Private sector banks**, though fewer in absolute complaints, faced concerns primarily related to credit cards.
- **Digital modes** accounted for **85.64%** of all complaints received, indicating increased public awareness and simplified complaint filing processes.

About the Reserve Bank of India Integrated Ombudsman Scheme (RB-IOS):

- The **RB-IOS 2021** merges the **Banking Ombudsman Scheme, 2006**; the **Ombudsman Scheme for Non-Banking Financial Companies, 2018**; and the **Ombudsman Scheme for Digital Transactions, 2019**, operating under "**One Nation One Ombudsman**" to offer a single platform for financial service complaints.
- Initially established by the **RBI in 1995** under **Section 35A of the Banking Regulation Act, 1949**, RB-IOS aimed to provide a cost-effective and efficient means to resolve banking service complaints, ensuring **customer satisfaction**.
- The **2021 Scheme** incorporates provisions from the **Banking Regulation Act, 1949**; the **Reserve Bank of India Act, 1934**; and the **Payment and Settlement Systems Act, 2007**, offering a **cost-free** resolution process that mandates timely redressal within **30 days**.
- It expands coverage to include **Non-Scheduled Primary Cooperative Banks** with deposits of **Rs 50 crore** and above, broadening consumer protection and promoting transparency in a wider range of financial services.