



FOCUS INDUSTRIAL RESOURCES LIMITED

THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

A Scheme for resolving customer grievances in relation to services provided by entities regulated by Reserve Bank of India in an expeditious and cost-effective manner under Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007).

CHAPTER I

PRELIMINARY

1. Short Title, Commencement, Extent and Application

- I. This Scheme may be called the Reserve Bank - Integrated Ombudsman Scheme, 2021.
- II. It shall come into force on such date as the Reserve Bank may specify.
- III. It shall extend to the whole of India.
- IV. The Scheme shall apply to the services provided by a Regulated Entity in India to its customers under the provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and the Payment and Settlement Systems Act, 2007.

2. Suspension of the Scheme

- I. The Reserve Bank, if it is satisfied that it is expedient so to do, may by order suspend for such period as may be specified in the order, the operation of all or any of the clauses of the Scheme, either generally or in relation to any specified Regulated Entity.
- II. The Reserve Bank may, by order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

3. Definitions

- I. In the Scheme, unless the context otherwise requires:
 - a) “Appellate Authority” means the Executive Director in-Charge of the Department of the Reserve Bank administering the Scheme;
 - b) “Appellate Authority Secretariat” means the Department in the Reserve Bank which is administering the Scheme;
 - c) “Authorised Representative” means a person, other than an advocate, duly appointed and authorised in writing to represent the complainant in the proceedings before the Ombudsman;
 - d) “Award” means an award passed by the Ombudsman in accordance with the Scheme;

e) “bank” means a ‘banking company’, a ‘corresponding new bank’, a ‘Regional Rural Bank’, ‘State Bank of India’ as defined in the Banking Regulation Act, 1949, a ‘co-operative bank’ as defined in Section 56 (c) of the Banking Regulation Act, 1949 to the extent not excluded under the Scheme, but does not include a bank in resolution or winding up or under directions or any other bank as specified by the Reserve Bank;

f) “Complaint” means a representation in writing or through other modes alleging deficiency in service on the part of a Regulated Entity, and seeking relief under the Scheme;

g) “Deficiency in service” means a shortcoming or an inadequacy in any financial service, which the Regulated Entity is required to provide statutorily or otherwise, which may or may not result in financial loss or damage to the customer;

h) “Deputy Ombudsman” means any person appointed by the Reserve Bank as such under the Scheme;

i) “Non-Banking Financial Company” (NBFC) means an NBFC as defined in Section 45-I (f) of the Reserve Bank of India Act, 1934 and registered with the Reserve Bank, to the extent not excluded under the Scheme, but does not include a Core Investment Company (CIC), an Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC), a Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC), a company in resolution or winding up/liquidation, or any other NBFC specified by the Reserve Bank;

Explanation: The terms CIC and IDF-NBFC shall have the same meaning assigned to them under the RBI Directions.

j) “Regulated Entity” means a bank or a Non-Banking Financial Company or a System Participant as defined in the Scheme, or any other entity as may be specified by the Reserve Bank from time to time; to the extent not excluded under the Scheme;

k) “Settlement” means an agreement reached by the parties to the complaint by facilitation or conciliation or mediation, as per the provisions of this Scheme;

l) “System Participant” means a person other than the Reserve Bank and a System Provider, participating in a payment system as defined in the Payment and Settlement Systems Act, 2007;

m) “System Provider” means and includes a person who operates an authorised payment system as defined in Section 2 of the Payment and Settlement Systems Act, 2007;

n) “The Reserve Bank” means Reserve Bank of India constituted under Section 3 of the Reserve Bank of India Act, 1934.

II. Words and expressions used and not defined in the Scheme, but defined in the Reserve Bank of India Act, 1934, or in the Banking Regulation Act, 1949, or in the Payment and Settlement Systems Act, 2007 or in the Regulations or guidelines or Directions issued by the Reserve Bank in exercise of its powers conferred by the Acts referred to herein above, shall have the meanings respectively assigned to them.

CHAPTER II

OFFICES UNDER THE RESERVE BANK - INTEGRATED OMBUDSMAN SCHEME, 2021

4. Appointment and Tenure of Ombudsman and Deputy Ombudsman

I. The Reserve Bank may appoint one or more of its officers as Ombudsman and Deputy Ombudsman, to carry out the functions entrusted to them under the Scheme.

II. The appointment of Ombudsman or the Deputy Ombudsman, as the case may be, shall be made for a period not exceeding three years at a time.

5. Location of the Office of the Ombudsman

- I. The offices of the Ombudsman shall be at such places as may be specified by the Reserve Bank.
- II. In order to expedite disposal of the complaints, the Ombudsman may hold sittings at such places and in such manner as may be considered necessary and proper in respect of a complaint.

6. Establishment of a Centralised Receipt and Processing Centre

- I. The Reserve Bank shall establish the Centralised Receipt and Processing Centre at any place as may be decided by it to receive the complaints filed under the Scheme and process them.
- II. The complaints under the Scheme made online shall be registered on the portal (<https://cms.rbi.org.in>). Complaints in electronic mode (E-mail) and physical form, including postal and hand-delivered complaints, shall be addressed and sent to the place where the Centralised Receipt and Processing Centre of the Reserve Bank is established, for scrutiny and initial processing.

Provided that the complaints that are received directly in any of the offices of the Reserve Bank shall be forwarded to the Centralised Receipt and Processing Centre for further action.

7. Staffing of the Offices of Ombudsman and Centralised Receipt and Processing Centre

The Reserve Bank shall ensure that the offices of the Ombudsman and the Centralised Receipt and Processing Centre are adequately staffed and shall bear the cost thereof.

CHAPTER III

POWERS AND FUNCTIONS OF THE OMBUDSMAN

8. Powers and Functions

- I. The Ombudsman/Deputy Ombudsman shall consider the complaints of customers of Regulated Entities relating to deficiency in service.
- II. There is no limit on the amount in a dispute that can be brought before the Ombudsman for which the Ombudsman can pass an Award. However, for any consequential loss suffered by the complainant, the Ombudsman shall have the power to provide a compensation up to Rupees 20 lakh, in addition to, up to Rupees One lakh for the loss of the complainant's time, expenses incurred and for harassment/mental anguish suffered by the complainant.
- III. While the Ombudsman shall have the power to address and close all complaints, the Deputy Ombudsman shall have the power to close those complaints falling under clause 10 of the Scheme and complaints settled through facilitation as stated under clause 14 of the Scheme.
- IV. The Ombudsman shall send to the Deputy Governor, Reserve Bank of India, a report, as on March 31st every year, containing a general review of the activities of the office during the preceding financial year, and shall furnish such other information as the Reserve Bank may direct.
- V. The Reserve Bank may, if it considers necessary in the public interest to do so, publish the report and the information received from the Ombudsman in such consolidated form or otherwise, as it may deem fit.

CHAPTER IV

PROCEDURE FOR REDRESSAL OF GRIEVANCE UNDER THE SCHEME

9. Grounds of Complaint

Any customer aggrieved by an act or omission of a Regulated Entity resulting in deficiency in service may file a complaint under the Scheme personally or through an authorised representative as defined under clause 3(1)(c).

10. Grounds for non-maintainability of a Complaint

I. No complaint for deficiency in service shall lie under the Scheme in matters involving:

- a) commercial judgment/commercial decision of a Regulated Entity;
- b) a dispute between a vendor and a Regulated Entity relating to an outsourcing contract;
- c) a grievance not addressed to the Ombudsman directly;
- d) general grievances against Management or Executives of a Regulated Entity;
- e) a dispute in which action is initiated by a Regulated Entity in compliance with the orders of a statutory or law enforcing authority;
- f) a service not within the regulatory purview of the Reserve Bank;
- g) a dispute between Regulated Entities; and
- h) a dispute involving the employee-employer relationship of a Regulated Entity.

II. A complaint under the Scheme shall not lie unless:-

a) the complainant had, before making a complaint under the Scheme, made a written complaint to the Regulated Entity concerned and –

(i) the complaint was rejected wholly or partly by the Regulated Entity, and the complainant is not satisfied with the reply; or the complainant had not received any reply within 30 days after the Regulated Entity received the complaint; and

(ii) the complaint is made to the Ombudsman within one year after the complainant has received the reply from the Regulated Entity to the 7 complaint or, where no reply is received, within one year and 30 days from the date of the complaint.

b) the complaint is not in respect of the same cause of action which is already-

(i) pending before an Ombudsman or settled or dealt with on merits, by an Ombudsman, whether or not received from the same complainant or along with one or more complainants, or one or more of the parties concerned;

(ii) pending before any Court, Tribunal or Arbitrator or any other Forum or Authority; or, settled or dealt with on merits, by any Court, Tribunal or Arbitrator or any other Forum or Authority, whether or not received from the same complainant or along with one or more of the complainants/parties concerned;

c) the complaint is not abusive or frivolous or vexatious in nature;

d) the complaint to the Regulated Entity was made before the expiry of the period of limitation prescribed under the Limitation Act, 1963, for such claims;

e) the complainant provides complete information as specified in clause 11 of the Scheme;

f) The complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Explanation 1: For the purposes of sub-clause (2)(a), ‘written complaint’ shall include complaints made through other modes where proof of having made a complaint can be produced by the complainant.

Explanation 2: For the purposes of sub-clause (2)(b)(ii), a complaint in respect of the same cause of action does not include criminal proceedings pending or decided before a Court or Tribunal or any police investigation initiated in a criminal offence.

11. Procedure for Filing a Complaint

I. The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>).

II. The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint, if submitted in physical form, shall be duly signed by the complainant or by the authorised representative. The complaint shall be submitted in electronic or physical mode in such format and containing such information as may be specified by Reserve Bank.

12. Initial Scrutiny of Complaints

I. Complaints which are in the nature of offering suggestions or seeking guidance or explanation shall not be treated as valid complaints under the Scheme and shall be closed accordingly with a suitable communication to the complainant.

II. Complaints which are non-maintainable under clause 10 shall be separated to issue a suitable communication to the complainant.

III. The remaining complaints shall be assigned to the offices of the Ombudsman for further examination under intimation to the complainant. A copy of the complaint shall also be forwarded to the Regulated Entity against whom the complaint is filed with a direction to submit its written version.

13. Power to Call for Information

I. The Ombudsman may, for the purpose of carrying out duties under this Scheme, require the Regulated Entity against whom the complaint has been made or any other Regulated Entity which is a party to the dispute to provide any information or furnish certified copies of any document relating to the complaint which are or is alleged to be in its possession.

Provided that in the event of failure of a Regulated Entity to comply with the requisition without sufficient cause, the Ombudsman may draw an inference that the Regulated Entity has no information to furnish.

II. The Ombudsman shall maintain confidentiality of the information or the documents coming to its knowledge or possession in the course of discharging duties and shall not disclose such information or

documents to any person except as otherwise required by law, or with the consent of the person furnishing such information or documents.

Provided that nothing in this sub-clause shall prevent the Ombudsman from disclosing information or documents furnished by the parties to the proceedings to each other, to the extent considered necessary to comply with the principles of natural justice and fair play:

Provided further that provisions of this sub-clause shall not apply in relation to the disclosure made or information furnished by the Ombudsman to the Reserve Bank or filing thereof before any Court, Forum or Authority.

14. Resolution of Complaints

I. The Ombudsman/Deputy Ombudsman shall endeavour to promote settlement of a complaint by agreement between the complainant and the Regulated Entity through facilitation or conciliation or mediation.

II. The proceedings before the Ombudsman shall be summary in nature and shall not be bound by any rules of evidence. The Ombudsman may examine either party to the complaint and record their statement.

III. The Regulated Entity shall, on receipt of the complaint, file its written version in reply to the averments in the complaint enclosing therewith copies of the documents relied upon, within 15 days before the Ombudsman for resolution.

Provided that the Ombudsman may, at the request of the Regulated Entity in writing to the satisfaction of the Ombudsman, grant such further time as may be deemed fit to file its written version and documents.

IV. In case the Regulated Entity omits or fails to file its written version and documents within the time as provided in terms of sub-clause (3), the Ombudsman may proceed ex-parte based on the evidence available on record and pass appropriate Order or issue an Award. There shall be no right of appeal to the Regulated Entity in respect of the Award issued on account of non-response or non-furnishing of information sought within the stipulated time.

V. The Ombudsman/Deputy Ombudsman shall ensure that the written version or reply or documents filed by one party, to the extent relevant and pertaining to the complaint, are furnished to other party and follow such procedure and provide additional time as may be considered appropriate.

VI. In case the complaint is not resolved through facilitation, such action as may be considered appropriate, including a meeting of the complainant with the officials of Regulated Entity, for resolution of the complaint by conciliation or mediation may be initiated.

VII. The parties to the complaint shall cooperate in good faith with the Ombudsman/Deputy Ombudsman, as the case may be, in resolution of the dispute and comply with the direction for production of any evidence and other related documents within the stipulated time.

VIII. If any amicable settlement of the complaint is arrived at between the parties, the same shall be recorded and signed by both the parties and thereafter, the fact of settlement may be recorded, annexing thereto the terms of settlement, directing the parties to comply with the terms within the stipulated time.

IX. The complaint would be deemed to be resolved when: -

- 1) it has been settled by the Regulated Entity with the complainant upon the intervention of the Ombudsman; or
- 2) the complainant has agreed in writing or otherwise (which may be recorded) that the manner and the extent of resolution of the grievance is satisfactory; or
- 3) the complainant has withdrawn the complaint voluntarily.

15. Rejection of a Complaint

I. The Deputy Ombudsman or the Ombudsman may reject a complaint at any stage if it appears that the complaint made:

- a) is non-maintainable under clause 10; or
- b) is in the nature of offering suggestions or seeking guidance or explanation

II. The Ombudsman may reject a complaint at any stage if: -

- a) in his opinion there is no deficiency in service; or
- b) the compensation sought for the consequential loss is beyond the power of the Ombudsman to award the compensation as indicated in clause 8(2); or
- c) the complaint is not pursued by the complainant with reasonable diligence; or
- d) the complaint is without any sufficient cause; or
- e) the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint; or
- f) in the opinion of the Ombudsman there is no financial loss or damage, or inconvenience caused to the complainant.