

Statement on the Feedback received for Draft Scheme

Subject: Reserve Bank Ombudsman Scheme, 2025

1. Chapter 1: Preliminary

i. **Clause 1(1)-** This Scheme shall be called the Reserve Bank - Ombudsman Scheme, 2025. It aims to provide a cost-effective, non-adversarial alternate grievance redress mechanism for the resolution of complaints against regulated entities covered under the Scheme.

Feedback: Add 'expeditious'.

RBI Comments: Accepted: The word "expeditious" better reflects the Scheme's focus on timely resolution.

2. Chapter 2: OFFICES UNDER THE RESERVE BANK - OMBUDSMAN SCHEME, 2025

i. **Clause 6(1)-** 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.

Feedback: May suitably replace the word 'place' to enable physical location of the CRPC at more than one place, if required.

RBI Comments: Accepted: The word 'place' is replaced with 'one or more places'.

3. Chapter 3: POWERS AND FUNCTIONS OF THE OMBUDSMAN

i. **Clause 8(3)-** There is no limit on the amount in a dispute that can be brought before the Ombudsman for which the Ombudsman/Deputy Ombudsman can facilitate a settlement or pass an Award. However, for any consequential loss suffered by the Complainant, the Ombudsman shall have the power to provide a compensation up to ₹30 lakh. In addition, the Ombudsman shall also have the power to provide up to ₹3 lakh for the loss of the Complainant's time, expenses incurred and for harassment/mental anguish suffered, if any, by the Complainant.

Feedback 1: We would like to suggest continuing earlier compensation of ₹1.00 lakh for loss of the Complainant's time, expenses incurred and for harassment/mental anguish suffered, if any, by the Complainant.

RBI comments- Not accepted: The proposed ceilings—₹30 lakh (consequential loss) and ₹3 lakh (time/expenses/harassment)—strike a prudent balance, between providing meaningful relief for consumers and deterrence on the one hand, and interest of the REs on the other hand.

Feedback 2: Increased compensation limits to ₹30 lakh for consequential losses (from ₹20 lakh in 2021) and ₹3 lakh for non-financial losses like harassment (from ₹1 lakh). These changes present significant operational and financial challenges for PPI issuers managing high volumes of low-value transactions (averaging ~₹400 per UPI/PPI transaction).

RBI comments- Not accepted: The compensation under the Scheme is principle-based and entity-neutral, and the prescribed amounts are upper ceilings, with the actual compensation to be determined by the Ombudsman based on the facts and merits of each case.

Feedback 3- Raise the ceiling to ₹50 lakh (indexed periodically to CPI) and allow interest compensation until payment completion. Moreover, make provision for reviewing compensation limits by instituting a mechanism for periodic review and potential upward revision of the compensation caps. As an enhancement measure, it is proposed to consider introducing flexibility based on the scale of the disputed amount ensuring that the caps remain relevant and adequate for mitigating genuine and significant consequential financial losses suffered by the customer.

RBI comments- Not accepted: The proposed ceilings—₹30 lakh (consequential loss) and ₹3 lakh (time/expenses/harassment)—strike a prudent balance, between providing meaningful relief for consumers and deterrence on the one hand, and interest of the REs on the other hand.

4. Chapter 4: PROCEDURE FOR REDRESSAL OF GRIEVANCE UNDER THE SCHEME

- i. **Clause 10(1)(f)-** A complaint under the Scheme shall be maintainable only if the following conditions are satisfied: the Complainant had not received any reply within 30 days after the Regulated Entity received the complaint; or the Complainant is not satisfied with the reply / resolution provided by the Regulated Entity;

Feedback- In certain categories such as unauthorised electronic banking transactions (UEBT); chargeback disputes and specific fraud cases; the prescribed resolution timelines are beyond 30 days. We, therefore, request that, for such cases, the 30-day condition for escalation to RBIO and treating the complaint as maintainable be aligned with these prescribed timelines, and that this exclusion be explicitly provided for in the Scheme.

RBI comments- Accepted: Clause has been suitably amended so that such complaints will be treated as maintainable only if lodged after prescribed timelines.

- ii. **Clause 10(1)(g)-** A complaint under the Scheme shall be maintainable only if the following conditions are satisfied: the complaint is made to the Ombudsman within one year from the date of the registration of complaint with the concerned Regulated Entity or the date of the last communication from the concerned Regulated Entity, whichever is later.

Feedback: The time limit to register complaint with RBIO may be defined from the date of occurrence of the incident and not basis the RE contactability timeline.

RBI comments- Not accepted: The Scheme already guards against stale claims by requiring that the initial complaint to the RE be filed within timelines under the Limitation Act, 1963. However, the period has since been reduced to 90 days from the date on which the timeline specified in clause 10 (1)(f) expires, basis analysis of past data.

- iii. **Clause 10(2)(d)-** The complaints involving the following matters are excluded from the purview of the Scheme- a grievance arising from an action of a Regulated Entity in compliance with the orders of a judicial/quasi-judicial or statutory or law enforcing authority.

Feedback: Cases where FIR is lodged with Police / Law Enforcement Authority, may be treated as non-maintainable as it requires investigation.

RBI comments- Not accepted: Clause 10(2)(d) already provides that a complaint is non-maintainable where the RE has acted pursuant to an order of a statutory or law-enforcement authority. As regards FIR, mere lodgement of an FIR does not render a complaint non-maintainable, because an FIR

only initiates investigation; it is not an adjudicatory order directing the RE's action. Accordingly, FIRs by themselves may not preclude RB-IOS scrutiny.

iv. **Clause 10(3)-** Complaints not meeting the eligibility conditions as specified under sub-clause (1) and complaints that are mentioned in sub-clause (2), shall be rejected at the outset as non-maintainable without examination.

Feedback: Instead of using the phrase 'rejected at the outset as non-maintainable' we could use 'shall be closed at the outset as non-maintainable/outside the purview of the Scheme as the case may be'.

RBI Comments- Not accepted: The word 'Closed' has a different connotation as it also includes resolved complaints besides rejected complaints.

v. **Clause 14(2)-** The Regulated Entity shall, on receipt of the complaint, file its written response to the averments in the complaint enclosing therewith copies of the documents relied upon, within 10 days before the Office of the Ombudsman.

Feedback: Continue the earlier TAT of 15 days

RBI Comments: Accepted: The suggestion is accepted considering operational requirements.

vi. **Clause 14(7)-** A conciliation meeting of the Complainant with the officials of Regulated Entity may be initiated by the Ombudsman or Deputy Ombudsman, if considered necessary. Provided that such meeting shall be held in the presence of the Ombudsman.

Feedback: With reference to Clause 14 (7) 'Provided that such meeting shall be held in the presence of the Ombudsman', we hereby suggest that it would be more clear if the provision also provides whether attendance through online mode will suffice or not for the Conciliation Meeting of the Complainant to arrive at a settlement.

RBI Comments- Accepted: The clause has been modified accordingly for better clarity.

vii. **Clause 14(8)(c)-** The complaint shall be closed by the Ombudsman/Deputy Ombudsman when Complainant has withdrawn the complaint voluntarily;

Feedback: In case of voluntary withdrawal of complaint, RBIO should treat it as non-maintainable.

RBI comments- Not accepted: A complaint withdrawn after escalation to the Ombudsman is, by definition, maintainable at the time of filing; withdrawal typically occurs because the RE offers resolution only post-escalation, indicating delayed action at the RE stage.

viii. **Feedback:** Introduce a nominal, refundable ₹50 filing fee under Clause 16, paid to the Ombudsman, to discourage baseless claims while preserving accessibility for genuine complainants.

RBI comments- Not accepted: The Scheme is a cost-free mechanism, which underpins its accessibility and wide adoption.

ix. **Feedback:** Adjust Clause 16 to cap consequential loss compensation for PPI issuers at ₹1 lakh for transactions below ₹5,000 and ₹10 lakh otherwise.

RBI comments: Not accepted: Compensation under the Scheme is principle-based, generally linked to the gravity of the lapse, actual loss suffered, profile of the customer, etc. As such, the compensation caps are entity-neutral.

x. **Clause 17- Appeal before the Appellate Authority**

Feedback: The extant Scheme provides a right of appeal to both the Regulated Entity and the Complainant for Awards issued under Clause 15 (1) (b) of the existing Scheme. In the draft Scheme, the Regulated Entity's right to appeal has been withdrawn. We request that this right be retained for Regulated Entities as well, so that banks have an opportunity to seek review of the Ombudsman's Award, where appropriate.

RBI comments- Accepted: After considering the submissions received as above, the right to appeal against Awards issued under Clause 15 (1) (b) has been retained for the Regulated Entity in the Scheme.

xi. **Clause 18(2)-** The Regulated Entity shall appoint a Principal Nodal Officer at their head office who shall be of a rank not less than a General Manager or equivalent and shall be responsible for representing the Regulated Entity

and furnishing information on its behalf in respect of complaints filed against the Regulated Entity. The Regulated Entity may appoint such other Nodal Officers to assist the Principal Nodal Officer as it may deem fit for operational efficiency. Any changes in appointment or contact details of Principal Nodal Officer shall be reported to Consumer Education and Protection Department, Central Office, Reserve Bank of India prior to or in case of exigency, immediately post any such change.

Feedback: The provision needs more clarity with respect to position of General Manager as different entities have different hierarchy grades or designations.

RBI comments: Not accepted: The Scheme already provides for “General Manager or equivalent.” Each Regulated Entity may determine the equivalent senior officer within its organisational hierarchy and designate that person as the Principal Nodal Officer.

5. Annex

- i. **Feedback:** Adding Limitation Period Clause 10(1)(L) in the annexure
RBI Comments: Accepted: The clause has been added for better clarity.
- ii. **Feedback:** Field for mentioning the Complaint number given by RE should be available in the complaint form
RBI Comments: Accepted: Added in the form to capture the information.
- iii. **Feedback:** For, “whether your complaint is pending before any court, tribunal, arbitrator, or any other judicial or quasi-judicial forum?” (for the same cause of action), the reference to be given of not only pending before any court etc. but also adjudicated by any court, etc.
RBI Comments: Accepted: Added in the form for better clarity, as suggested.
- iv. **Feedback:** In light of the Digital Personal Data Protection Act, 2023, it may be advisable to include a dedicated clause on data privacy to ensure compliance with statutory norms regarding handling of sensitive consumer information.
RBI Comments: Accepted: Added in the form to ensure compliance with DPDP Act.