Bankers play a very important role in the economic life of the nation. The health of the economy is closely related to the soundness of its banking system. Although banks create no new wealth but their borrowing, lending and related activities facilitate the process of production, distribution, exchange and consumption of wealth. In this way they become very effective partners in the process of economic development. Today modern banks are very useful for the utilization of the resources of the country. The banks are mobilizing the savings of the people for the investment purposes. If there were no banks, then a great portion of a capital of the country would remain idle.

Customer service has great significance in the banking industry. The banking system in India today has perhaps the largest outreach for delivery of financial services and is also serving as an important conduit for delivery of financial services. While the coverage has been expanding day by day, the quality and mode of dispensing of customer service has come under tremendous pressure mainly owing to the failure to handle the soaring demands and expectations of the customers. The vast network of branches spread over the entire country with millions of customers, a complex variety of products and services offered, the varied institutional framework – all these add to the enormity and complexity of banking operations in India giving rise to complaints for deficiencies in services. This is evidenced by a series of studies conducted by various committees such as the Talwar Committee, Goiporia Committee, Tarapore Committee etc. to bring in improvement in performance and procedure involved in the dispensing of hassle-free customer service. Reserve Bank, as the regulator of the banking sector has been actively engaged from the very beginning in the review, examination and evaluation of
customer service in banks. It has constantly brought into sharp focus the inadequacy in banking services available to the common person and the need to benchmark the current level of service, review the progress periodically, enhance the timeliness and quality, rationalize the processes taking into account technological developments, and suggest appropriate incentives to facilitate change on an ongoing basis through instructions/guidelines.