APPENDICES

APPENDIX - A

QUESTIONNAIRE

SERVICE QUALITY EVALUATION: A STUDY WITH REFERENCE TO PRIVATE AND PUBLIC SECTOR BANKS

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1.0. General Identification of Customer

1.1. Name:

1.2. Locality:

1.3. Sex: Male [ ] Female [ ]

1.4. Age:
   Below 25 [ ] 25-35 [ ] 35-45 [ ]
   45-55 [ ] Above 55 [ ]

1.5. Education:
   Upto HSC [ ] Graduate [ ]
   Professional [ ] Others [ ]
   Degree [ ] (Pl. Specify) [ ]

1.6. Occupation:
   Salaried Person [ ] Businessmen [ ]
   Professional [ ] Retired/Housewife [ ]
   Student [ ] Unemployed [ ]

1.7. Total monthly House hold Income:
   < Rs.5,000 [ ] 5000-10,000 [ ]
   10,000-15,000 [ ] 15,000-20,000 [ ]
   More than 20,000 [ ]

1.8. Marital Status:
   Married [ ] Unmarried [ ]

1.9. Type of Family Size:
   Single [ ] Multiple [ ]
1.0. Customer and Bank Transaction

1.1. Nature of Bank: Nationalised Bank [ ] Private Bank [ ]
     New Private Bank [ ] Foreign Bank [ ]

1.2. Nature of your Account:
     Savings Bank A/c [ ] Current A/c [ ]
     Recurring Deposit A/c [ ] Fixed Deposit A/c [ ]
     Short term loan A/c [ ] Medium Term Loan A/c [ ]
     Long term Loan A/c [ ]

1.3. How do you come to know about your banker?
     personal [ ] Advertisement [ ]
     Friends [ ] Relatives [ ]
     Organization [ ]

1.4. Reason for Selecting this Bank:
     Proximity to residence / Office [ ]
     Better Service [ ]
     Availability of Various Schemes of Loans [ ]
     Computerised Environment [ ]
     Any other [ ]

1.5. Since when are you the customer of this Bank:
     < 6 Months [ ] 6 - 12 Months [ ]
     1 - 5 Years [ ] > 5 Years [ ]

1.6. Frequency of Operation:
     Daily [ ] Weekly [ ]
     Fortnightly [ ] Monthly [ ]

1.7. What are the types of Facilities you have availed from the bank:
     Yes No
     a. Having Deposit A/c [ ] [ ]
     b. Availed & Advances [ ] [ ]
     c. Credit Card Facilities [ ] [ ]
     d. Locker Facilities [ ] [ ]
     e. Agency Service like
        Electronic Clearing Service /
        Insurance Payment /
2.8. Which among the following factors have prompted you to open A/c in this bank : (Pl. rank Upto 5)

a. No delay in any transaction [ ]
b. Prompt Service [ ]
c. Safety & Security [ ]
d. Human approach [ ]
e. Good behaviour by Staff [ ]
f. Proper Counselling [ ]
g. Innovative banking [ ]
h. Any time banking [ ]
i. Good environment [ ]
j. Technology products [ ]

(Tele Banking, dr. card etc.)

3.0. Ratio of Service Quality Parameters and Level of Satisfaction

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<td>b. Attitude, Responsiveness and Courtesy</td>
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<td>c. Professional Commitment, Punctuality and Presence</td>
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<td>e. Procedures</td>
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<td>f. Customer complaints and Grievance</td>
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<td>g. Infrastructure, location and layout</td>
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<td>h. Variety of services</td>
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<td>i. Technology</td>
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### 3.1. Rating of use of New Banking Facility and level of customers satisfaction

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<td>c. aware of ATM facility</td>
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<td>d. Using ATM facility</td>
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<td>e. Willing to use ATM facility</td>
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### 3.2. Rating of service quality factors which determines customer satisfaction

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<td>n. Complaint and Suggestions</td>
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4.0. Problems faced by Customers:

- Arrangement of enquiry counter [ ] [ ]
- Exchange of drafts and collection of cheques [ ] [ ]
- Execution of standing instructions [ ] [ ]
- Update of new product/services [ ] [ ]
- Statement of Account [ ] [ ]
- Hidden Cost [ ] [ ]
- Malfunctioning of ATM [ ] [ ]
- Delayed transactions [ ] [ ]
- Inadequate safety lockers [ ] [ ]
- Non resident external account [ ] [ ]

4.1. Do you have any grievances with the bank?

Yes [ ] No [ ]

If yes, (Pl. specify) ____________________________

4.2. What are the best things you like about the bank:

________________________________________________________________________________________
________________________________________________________________________________________

4.3. Do you have any suggestions / Recommendations to improve the service standards

________________________________________________________________________________________
________________________________________________________________________________________
APPENDIX - B

Talwar Committee (1975)

The report of the Talwar Committee comprises of:

PART I - Approach, recommendations and annexure.

PART II - Reports on

a) News paper Survey on customer service in banks;

b) Survey on customer service in banks in Bombay.

c) Sub-committee on Traveler’s Cheque;

d) Sub-committee on clearing and

e) Sub-committee on collection etc.

However, the major recommendations of Talwar Committee may be of legislation on Nomination facility;

- Standardisation of Procedure for transfer of A/c;

- TOD facility to SB customers - Facility for encashment of personal cheques for reasonable amount after normal business hours;
- Legislation to make drawing of cheques by customers without funds as a penal offence;

- Introduction by confirmed staff acceptable: Standardisation of Bank draft;

- Immediate credit of outstation cheques up to Rs.2,500.00;

- Interest on delayed collection of outstation cheques: Multiple membership of clearing house;

- Mechanisation of clearing at all metros;

- Provision for complaint/suggestion box in the branch/office;

- Formation of customer service committee at branch: Rationalisation of bank charges;

- Customer service centers at CO/HO level;

- Provision for May 1 help You? Counter at branches; and

- Provision for time norm board etc.

In pursuance of the group’s recommendations, an elaborate infrastructure was built up in the banking sector for the redressal of customer grievances. Complaint cells were established at different levels starting from the branch
right up to the head office. Customer service centers were also set up at State Capitals and other important cities/places. At the Apex level, complaints can be addressed to the banking division of the Finance Ministry of the Directorate of Public Grievances in the Cabinet Secretariat. A Standing Committee on Customer Service, which includes representatives from Reserve Bank of India and the Indian Bank’s Association, monitors and evaluates steps taken in this regard and recommends measures for further improvement. The recommendations of the Talwar Committee also led to the adoption of time norm for a variety of transactions undertaken by banks. Since the objective was not merely to provide guidelines for the operating staff but also to ensure that business was actually transacted with greater speed, the decision was taken that the norms would be displayed prominently in the branch offices to make customers more aware of these and demand timely service for various banking transactions. Notice displaying time norms have accordingly to be put up in branches spread over the length and breath of the country.

Another outcome of the recommendations has been the increased emphasis in interface between bank executives and customers. Institutional arrangements have also been made for the purpose by which the 15th day of every month is set aside for hearing of the complaints and customers are free to meet bank
executives from the branch level upwards without prior appointment at any
time between 3 PM and 5 PM.

For the rural branches, there are non-public working day (NPWD) once
in every week and the branch officials are expected to utilize the day for renewing
their contacts with the clients. Visits to rural branches by senior executives
have also been made mandatory.
APPENDIX - C

Goiporia Committee on Customer Service (1991)

In the light of the recommendations of the Talwar Committee, a number of important changes was brought in the banking operations. However, there was further need to improve customer service in Banks. Therefore, the Government of India set up another committee to suggest ways and means.

To further improve the customer service in banks headed by M.N. Goiporia, This committee which is popularly known as Goiporia committee on customer Services in Banks, 1991, has made large number of recommendations.

The Terms of reference of this committee were :

1. "The causes for the persistence of below per customer Service in Banks;

2. The areas in which deficiencies in customer service are prevalent and how these can be remedied;

3. Improvement in work culture and inculcation of greater customer orientation on the part of bank employees;
4. Identification of structural and operational rigidities and inadequacies in the existing system and procedures which adversely affect the working of banks, especially customer service, and suggesting remedial measures with a view to ensuring greater flexibility and speedier transaction of business; and

5. Upgradation of technology to ensure prompt and efficient service to customers, better housekeeping, quicker flow of information and effective supervision and managerial control and competitive strength."

This committee has made 97 recommendations on customer service, which are classified under the following groups;

Group A - Which are to be directly implemented by the banks

B - Which are to be implemented with RBI’s approval.

C - Which are to be implemented with the approval of the Government of India.

D - Which are to be implemented after necessary dialogue with Recognized unions / associations."
Summary of Recommendations

1. Commencement of employees' working hours 15 minutes before banks at branches in metro, politician and urban centres can make commencement of business hours operative.

2. All the customers who enter the banking hall before the close of business hours should be attended to.

3. Banks may extend business hours for all banking transactions except cash up till one hour before close of the working hours.

4. It may be ensured that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers.

5. All branches, except very small branches, should have 'Enquiry' or 'May I help you?' counter, either exclusively or combined with other duties, located near the entry point of the banking hall.

6. Banks may provide one or more Teller counters at area I centers, including state capitals, at one or more branches catering to cash transaction up to Rs.5000 including encashment of drafts and travelers' cheques upto that amount, as well as non-cash transaction upto Rs.10,000/-.
7. Difficulties, in the way of acceptance of small denomination notes from customers as well as from non-customers for issuance of drafts, should engage the attention of branch officials, controlling offices and the Reserve Bank of India, customers may be taken into confidence about such difficulties.

8. Cash handling by bank-branches and functioning of currency chests. The Reserve Bank of India should actively monitor relocating cash from excess to deficit centers.

9. Formation of an extensive ‘Currency corporation of India’ may be considered.

10. Service relating to exchange of mutilated and soiled notes may be made more customer-friendly by proper training of employees on the one hand and liberalization of note Refund Rules on the other.

11. Notes / coins counting machines may be introduced wherever volume of work so warrants.

12. For safeguarding currency notes from early soiling, these may be packed with paper seal / band.
13. In addition to obtaining nomination form, banks may provide for mentioning name and address of the nominee in the account opening form. Publicity about nomination facility is needed, including printing compatible message on cheque book, passbook and any other literature reaching the customer, as well as launching periodical drives to popularize the facility.

14. Unless the customer prefers not to nominate (this may be recorded, without giving scope for conjecture of non-compliance), nomination should be a rule, to cover all other existing and new accounts.

15. Availability of nomination facility, also for safe custody articles and safe deposit lockers, may be actively publicized.

16. Coupled with stipulation for minimum balance and maximum number of withdrawals, saving bank accounts may be encouraged by offering better rate of interest compared to 5% p.a. paid at present.

17. Issuance of statement of accounts and updating of passbooks with correct and legible particulars should attract bank's constant attention.

18. Customers may be made conscious of the need on their part to bring passbooks regularly for updating and employees may be exhorted to attach
importance to this area. Wherever passbooks are held back for updating, because of large number of entries, paper tokens should be issued.

19. Stationery with pre-demarcated folds/flaps may be used for statement of accounts.

20. Term deposits may be marketed innovatively, by dissemination of information customers, specifically regarding availability for monthly discounted interest disbursement, and safe custody facility for deposit receipts.

21. Advance instructions from depositors for disposal of the deposit on maturity may be obtained in the application form itself, wherever such instructions are not obtained, intimation for deposit becoming due should be sent as a rule. Banks may accept term deposits in units of Rs.5,000/- or in its multiples, and issue pass books (doing away with deposit receipt system).

22. Change in interest rates on deposits should be made applicable to the existing deposits also.

23. Change in interest rates on deposits should be made known to customer as well as bank branches by press notifications, based on which branches
should be enabled to accept deposits at new rates provisionally, to be confirmed later, on receipt of official communication.

24. Customers should get expert guidance from banks in their day-to-day decision making about investment in deposit schemes, etc.

25. Trilingual brochure and pamphlets should be actively promoted, containing myriad customer-useful information.

26. Term deposits with banks should be afforded tax benefits. More and more locker facilities in residential areas setting up of specialized branches/subsidiaries for this purpose may be examined.

27. Single-window concept maybe introduced for issuance of drafts.

28. Authorizing employee at the counter to sign draft upto Rs.5,000 which are pre-countersigned by another authorized signatory.

29. System of one employee disposing of the applicant for draft as above can be introduced for banker's cheque and pay order also.

30. 'Bank orders', like the postal orders, may be introduced in denominations of Rs.5, Rs.20, Rs.100, Rs.500, Rs.1000 etc., providing for payee's name to be filled in by the purchaser.
31. Facility of instant credit of outstation cheques may be raised to Rs.5000 (from Rs.2500). A separate type of pay-in-slip may be evolved for availing of this facility.

32. Delay in collection of outstation cheques may be compensated by paying interest at 2 per cent p.a. above savings bank rate, if such interest payable is Rs.5/- or more.

33. Where delay in crediting bill proceeds can be attributed to the bank, it should pay interest to the lodger for the delayed at the rate of 2% above savings bank interest rate.

34. In the case of delay in collection of export proceed, banks may take up with the overseas importer's bank.

35. Dishonored instruments may be returned / dispatched to the customer within 24 hours.

36. When purchased / discounted instruments are sent to their own branches for collection, banks may exclude delays attribute to themselves while recovering overdue interest.
37. If remittance of proceeds is delayed beyond two days by paying bank, it should reimburse to the collecting bank interest for such delay.

38. Telegraphic transfer (TTsO) issued and payable at Area 1 centers including state capitals may be value-dated on third day; other remittances may be credited on receipt of telegram or confirmation thereof whichever is receive earlier.

39. Delay beyond eighth day in creding mail transfers (MTs) may be compensated by paying interest at 2 per cent p.a. above savings bank rate and paying such interest if it is Rs.5/- more.

40. Clearing house may be set up centers having ten or more banks; lead bank of the district may manage such clearing house. National Clearing may cover more centers.

41. Loan proposals may be simultaneously submitted by bank branches to all the controlling offices, enabling sanctioning office to release its decision quickly.

42. Processing official from controlling office may visit branches for expediting processing where loan applications are in bulk.
43. Working capital applications may be processed by banks simultaneously with financial institutions dealing with term loan applications.

44. Hesitation or fear psychosis about use of delegated powers by officials should be removed by proper message percolating down from top management.

45. Summarised and updated norms relating to various loan schemes may be made available to branch officials interacting with prospective loaners.

46. After agreeing at consortium meetings, processing and sanctioning its own share of credit facility by any member bank should not be delayed for constraint of funds which the bank should arrange on its own initiative.

47. Single-window approach in regard to documentation of consortium finance maybe promoted actively.

48. Loan applications under government schemes should be made to flow from sponsoring bodies to bank branches smoothly on an ongoing basis.

49. Before launching any new scheme, government may consult the Reserve Bank of India, the NABARD and the Indian Bank’s Associations, to make schemes compatible for easy implementation.
50. More centers may be notifies for creation of equitable mortgages, covering district headquarters to start with. In the long run, notified centers concept may be done away with, by suitable statutory amendment.

51. Each employee may wear on his person an identify badge, displaying photograph and name thereon.

52. Periodic change of desk and entrustment of elementary supervisory jobs may be considered for clerical employees.

53. Training programmes should be in line with customer service Orientation.

54. Induction training should be a must for all newly recruited and officer employees.

55. Specialised training / post-training placement for select employees should be revitalized.

56. Training programme of the NIBM may be integrated and aligned with banks’ needs. Bank’s faculty may develop short courses in practical banking under the aegis of the NIBM.

57. Quality of training should be upgraded by paying greater attention to the process of selection of faculty and heads of training institutions.
58. Quality circles may be encouraged.

59. Reward and recognition system should be used effectively.

60. The controlling offices in proper perspective should note decisions taken by the employees in good faith. Lower grade officers may be kept out of the purview of Central Vigilance Commission, by proper vigilance infrastructure developed in-house CVC could depute his officials to banks to understand banks’ functioning.

61. Employee’s unions and officer’s associations should be invited inside the management to radiate spirit of customer service towards one and all of the banks employees.

62. At metro and urban centers work may be automated and modern techniques of working may be adopted: where necessary in consultation with the Unions.

63. Customer’s transactions, especially transfer of funds, may be attended to, by putting to effective use BANKNET, S.W.I.F.T. Remote Area Business Message Network (RABMN), etc.
64. New procedures may be introduced and old ones may be done away with, on an ongoing basis.

65. Banks should subject themselves to customer service audit covering grassroots levels as well as macro level.

66. Complaint book with perforate copies in each set may be introduced, so designed as to instantly provide an acknowledgement to the customer and an intimation to the controlling office.

67. Branch level customer service committees should be rejuvenated.

68. Periodical meetings should be held with customers and their representative bodies.

69. Quarterly customer Relation Programmes to interact with different cross-section of customers should be utilized for identifying action points to upgrade the customer service.

70. Inspectors/auditors should give due importance in their reports to customer service aspects, such as efficacy of complaints handling and grievance redresal machinery.
71. Report on customer service may be called for by the Reserve Bank of India. The Reserve Bank of India may conduct evaluation studies on implements of customer service measures.

72. Customer service recommendations may be given out as a charter to ensure good customer service from banks. A monthly report may be designed to be submitted to controlling office to keep it informed on state of customer service.

73. Special attention may be bestowed on complaint prone areas and special task forces may be constituted to bring up branches in such areas.

74. Public relation oriented officers may be posted to complaint prone branches with a view to converting these into good customer service units.

75. While more employees may be brought in the customer service circle by training, by being recognized by rewards and by being shown out as example in customer service culture, deliberate recalcitrance and disregard of customer service spirit should be taken not of in concerned employee's service records besides taking other action.
76. Senior officials from controlling offices may give priority to customer service aspects during their branch visits, crosschecking actual atmosphere with a copy of the customer service report.

77. Customer service centers may be dissolved.

78. Restricted holidays, on Government pattern, may be introduced in banks also, to provide more working days. The number of holidays in a year including restricted holidays should not be more than 15 days in any state.

79. Infrastructure facilities at branches should be upgraded by bestowing particular attention to providing adequate space, proper furniture, drinking water facilities, etc.

80. Specialized branches may be opened for catering to exclusive customer segments. Personalized service may be promoted by levy of higher service charges, if necessary.

81. Optimum branch size may be determined for the present, identifying at present levels of staff strength not exceeding 100 and business level not beyond Rs.200 Crores.
82. Unwieldy large branches may be trimmed, by carving out certain functional areas to be spun off to new specialized branches.

83. The manpower should be redistributed / redeployed to ensure need based availability of staff at branches.

84. Instead of joint publicity by public sector banks, individual bank may do its own publicity campaigns, wherever public in general is the target group, the Indian Bank's Association may undertake publicity on behalf of the banks.

85. Customer education programmes, wherein banks' employees should also be involved, may consist of advertisement, informative literature, interfaces, seminars, etc., with a view to making the customer empathetically to banks' limitations and predicaments and appreciative of banks' efforts' efforts to improve customer service.

86. In predominantly residential areas, banks may observe Sunday working adjusting weekly offs suitably.

87. Banks should review and improve upon the existing security systems in branches so as to instill confidence amongst the employees and the public.
88. Government departments should consider staggering of salary pension payments to reduce congestion in bank branches on specific days.

89. Banks should arrange for pay telephones in large branches.

90. ‘Pass Word’ system may be evolved to facilitate customers to get answers to routine quarries over the phone thus reducing customers visits.

91. Credit cards and other innovative products like ATMs may be floated on a joint venture basis.

92. Best branches from customer service point of view should be rewarded by annual awards / running shield.

93. Government should consider issuing cheques instead of treasury bills / challans for payment to persons / bodies.

94. Tax collection and such others work on behalf of government and public undertakings may be undertaken only after careful assessment of infrastructure etc., and it impact on the quality of regular customer service. As far as possible, specialized branches may provide such facilities.
95. Time norms for specialized business transactions should be displayed predominantly in the banking hall.

96. The Reserve Bank of India may consider reviewing its functioning and upgradation of its systems to improve the falling standards of customer service.
APPENDIX - D

Banking Ombudsman Scheme (1995)

With a view to attend to the grievances of the customers in Banks, the Reserve Bank of India announced the Banking Ombudsman Scheme on 14th June 1995 under the provision of Banking Regulation Act 1949. This scheme covers all scheduled commercial banks having business in India except Regional Rural Banks and Co-operatives. The scheme is established for expeditious and inexpensive resolution of customer complaints.

Any person whose grievance against a bank is not resolved to his satisfaction by that bank within a period of two months can approach the banking ombudsman if his complaint pertains to any of the matters specified in the scheme. The system is designed to ensure, in the normal course, satisfactory resolution of complaints as early as possible. The Bank will have authority to look into complaints:

“(a) Concerning deficiency in service such as;

- Non-payment/inordinate delay in the payment or collection of cheques, Drafts/bill, etc.;
- Non-acceptance of small denomination notes tendered for any purpose without sufficient cause and charging of commission for Handling of such notes;

- Non-issue of drafts to customers to prescribed working hours;

- Failure to honour guarantee/letter of credit commitments by banks;

- Claims in respect of unauthorized or fraudulent withdrawals from deposit accounts, etc.;

- Complaints pertaining to the operations in savings, current or any other account maintained with a bank, such as, delays, non-credit of proceeds to parties' accounts, non-payment of deposit or non-observance of the Reserve Bank directives, if any, applicable to be rate of interest on deposits;

- Complainants from exporters in India, such as, delays in receipt of export proceeds, handling of export bills, collection of bills, etc., provided the complaints pertain to his bank's operations in India; and complaints from non-resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank related matters.
(b) Concerning loans and advances insofar as they relate to:

- Non-observance of the Reserve Bank directives on interest rates, delays in sanction or non-observance of prescribed time schedule for disposal of loan applications or

- Non-observance of any other directions or instructions of the Reserve Bank.

The Banking Ombudsman committee will try to settle disputes between the parties. The recommendations are binding on both the parties.
APPENDIX - E

Consumer Protection Act (COPRA) (1987)

The Consumer Protection act (COPRA) was promulgated on 15.4.1987. It aims at expeditious, inexpensive and simple way of redressal of grievance concerning unfair practices adopted.

By the seller / goods services or changing excess price a consumer is a person who buy a goods or hires a service for consideration. The service defined in the act include bank, insurance and transport etc., and extend to private, public and co-operative sector. The consumer redressal agency is a of three tier in natures:

- District Forum: Compensation claimed is less than Rs. 5 lacs

- State Commission - Appellate authority above district forum and for complaint where the compensation sought is between Rs. 5 lacs to Rs. 20 lacs.
National Commission authority over the state commission and for all complaint where the compensation sought is between Rs. 5 lacs to 20 lacs.

The complaint has to be lodged within 2 years from date of cause of action and there is neither stamp duty nor court fee to be paid. The appeal if any should be preferred within 30 days from the date of the order.