CHAPTER VII

BANKING OMBUDSMEN SCHEME

In the earlier chapter the researcher made an analysis of the banker's opinion about customer service and a comparison was made between the opinion of bankers and customers about the customer service. Though, majority of them have expressed their satisfaction, the dissatisfied customers should find a solution for their dissatisfaction. Hence, 'The Banking Ombudsman Scheme', which is the redressal mechanism available for the bank customers have been studied and analysed in this chapter.

A bank's branch generally caters to the banking needs of the people in its operational area. Most of the customers, do not want to lodge any complaint when they have any grievances in getting banking services. Only a very few of the affected customers used to lodge complaints for their grievances.

Banking Ombudsman Scheme was implemented in India in the year 1995 with the objective of providing effective, quick and impartial redressal of the grievances of the customers and also to avert the defects of the existing redressal machineries.

BANKING OMBUDSMAN

Sir Lawrence Shurman, Banking Ombudsman of U.K. states that Ombudsman is neither a champion nor the defender of the banks. He is an
independent arbitrator for fair settlements of disputes arising between the banker and the customer. P.H. Collin defines in the dictionary of business an Ombudsman is an official who investigates complaints by the public against Government departments or other large organisations.¹

The first Banking Ombudsman Scheme was setup in 1986 at U.K. It soon developed into a popular and effective forum for settling banking disputes. The Banking Ombudsman Scheme in U.K. is a tripartite structure, consisting of Board of directors (Since Banking Ombudsman Scheme is a Limited Company with member banks guarantee), the Governing Council and the Ombudsman, who is assisted by the Resident Banking Adviser².

ESTABLISHMENT OF BANKING OMBUDSMAN IN INDIA

Indian Banking Association had set up a Sub Committee in 1992 to examine the possibilities of setting up an Ombudsman type of machinery for Indian Banks. To this effect Sir Lawrence Shurman was invited to India in 1993 to impress the bank officials about the functioning and importance of the concept of the ombudsman. Consequently Reserve Bank of India formulated a scheme of Banking Ombudsman Scheme, which was implemented from June 14th, 1995.

¹ RITA SRIVASTAVA, 'Banking Finance', August 1997, Page 6, Article, "Banking Ombudsman Scheme: A Boon for customers".

² Canara Bank, STC, Training Material.
STRUCTURE OF BANKING OMBUDSMAN SCHEME

In India, the RBI appoints retired persons from the banking sector for a period of three years who may be eligible for extension for a further period not exceeding two years subject to the age limit of 65 years.

Secretariat comprising people from banks would be provided to assist the Banking Ombudsman Scheme. The location of office, the territorial limits, the recommendation of the BOM and other officers and their perquisites payable will be determined by the Reserve Bank from time to time. Remunerative expenses will be borne by the different banks in such proportion and in such manner as may be determined by the Reserve Bank.

Functions

Jurisdiction powers and duties of Bombay Ombudsman.

The duties of the Banking Ombudsman will be

(a) to receive complaints relating to the deficiency in the provision of the banking services.

(b) to consider such complaints and facilitate their settlement either by making recommendations or awards or by such other means as deemed expedient.
All commercial banks including private sector banks and foreign banks (Regional Rural Banks are excluded) having a place of business in India, whether such banks are incorporated in India or outside India and scheduled primary cooperative banks are all brought under the scheme.

Any individual person, groups of individuals such as partnership, clubs, companies etc., and authorised representative of the complainant and aggrieved person can be the user of the scheme.

**Complaints under the Ambit of the Ombudsman:**

The BOM has the authority to look into the following complaints relating to banking services.

* All complaints concerning deficiency in services such as:

i) non-payment / inordinate delay in the payment or collection of cheques, drafts, bills etc.

ii) non-acceptance, without sufficient cause of small denomination notes tendered for any purpose, and for charging of commission in respect thereof,

iii) non-issue of drafts to customers and others;

iv) non-adherence to prescribed working hours by branches,
v) failure to honour letter of guarantee/letter of credit commitments by banks.

vi) complaints pertaining to the operations in any form of account, maintained with a bank, such as delays, non-credit of proceeds to parties accounts, non-payment of deposits or non-observance of the Reserve Bank directives, if any, applicable to the rate of interest on deposits.

vii) claims in respect of unauthorised or fraudulent withdrawals from deposit account, etc.

viii) complaints from exporters in India regarding delays in receipt of export proceeds, handling of export bills, collection of bills, etc. provided the said complaints pertain to the banks operation in India and

ix) complaints from NRI's, having accounts in India, in relation to their remittances from abroad, deposits and other bank related matters.

(B) Complaints concerning loans and advances only in so far as they relate to:

i) non-observance of RBI directives on interest rates,
ii) delays in sanction/non-observance of prescribed time schedule for disposal of loan application; and

iii) non-observance of any other directions or instructions of the RBI, as may be specified for this purpose, from time to time.

(C) Such other matters as may be specified by the RBI from time to time on this behalf.

Procedure for Redressal of Grievance by Banking Ombudsman Scheme

Office:

Any aggrieved person against deficiency in the banking services may himself or through an authorised agency lodge a complaint in writing duly signed by the complainant furnishing the details such as name and address of the complaint, name and address of the branch/office of the bank against which the complaint is made, the facts giving rise to complainant, supporting documents relevant to complainant, in duplicate, the loss caused, and the extent of relief/compensation expected to the Banking Ombudsman.

Pre condition for lodging the complaint to the Banking Ombudsman Scheme

Prior to approaching an Ombudsman the complaint in writing should have been lodged with the concerned bank. Only when the bank rejects the complaint or does not reply within two months from the date of complaint or
the complainant is not satisfied with the reply he can approach the Banking Ombudsman Scheme.

The Banking Ombudsman Scheme has the power to reject the complaint, if the complaint is not filed within the year of rejection by the concerned bank, if already an award is made by any authority and if it does not come under the ambit of clause 13.

On receiving complaint against any bank he can call for documents. In case the bank fails to produce the documents, BOM can make its inference, as the supply of information would be unfavourable to the bank.

Besides maintaining confidentiality of the information supplied by the bank, BOM can award a compensation of a maximum of Rs.10 lakhs, which should be enforced through RBI.

PROCEDURE OF REDRESSAL

If the complaint is accepted by Banking Ombudsman Scheme, a copy of the complaint should be sent to the bank concerned and try for conciliatory proceedings. If the settlement is not reached within a month from the date of receipt of the complaint, it will make recommendations, a copy of which will be sent to the complainant and to the bank concerned.

If the recommendation is acceptable to the complainant he has to send his acceptance in writing within two weeks to Banking Ombudsman Scheme
and the same will be sent to the concerned bank. If the settlement is not acceptable to the bank, it has to report within two weeks to Banking Ombudsman Scheme.

When the settlement cannot be made by agreement or recommendations, within two months from the date of receipt of the complaint, the Banking Ombudsman Scheme would inform both parties of his intentions to pass an award. Within 15 days from the date of receipt of the notice of Award, both parties can submit any new evidence or information to support their case.

The Banking Ombudsman Scheme shall be guided by the evidence placed before him by the parties, the directions, instructions, and guidelines issued by RBI from time to time, principles of Banking Law and Practice, and such other factors which in his opinion are necessary in the interest of justice.

Banking Ombudsman Scheme will pass an award not exceeding Rs.10 lakhs, which would be communicated to the erring bank, and the complainant who should send his acceptance or otherwise within 15 days to the BOM. If it is accepted by the complainant, the same will be informed to the erring bank for its acceptance or otherwise. The erring bank should send its reply to BOM within two weeks. If the bank does not comply with the award, the BOM will make a report to RBI for necessary action under sec.35 of the Banking Regulation Act, 1949.
ANALYSIS OF THE OMBUDSMAN SCHEME

With its existence during the last six years, the scheme attained wide publicity in the media and has gained perceptible awareness among the users of banking services. There were 4700 branches of commercial banks operating in Tamil Nadu, Pondicherry and Andamans & Nicobar Islands and the details are given in the following table. There was no scheduled co-operative urban banks in the area of jurisdiction of this office. The table itself is a self explanatory one.

TABLE 7.1
BANK BRANCHES COVERED AS ON
2001 - 2002

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>State/Union</th>
<th>PSB's</th>
<th>Private Banks</th>
<th>Foreign Banks</th>
<th>Total banks covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Territory Tamilnadu</td>
<td>3509</td>
<td>1059</td>
<td>17</td>
<td>4585</td>
</tr>
<tr>
<td>2.</td>
<td>Pondicherry</td>
<td>66</td>
<td>18</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>3.</td>
<td>Andaman &amp; Nichobar Islands</td>
<td>31</td>
<td>-</td>
<td>-</td>
<td>31</td>
</tr>
</tbody>
</table>

An attempt is made by the researcher to find out the number of complaints received from the different geographical area. It may be seen from Table 7.2 and Chart 7.1 that the highest number of complaints were received by the Ombudsman from the customers of metropolitan branches followed by semi urban, urban, rural and from foreign branches. This is quite natural as the number of branches of the metropolitan area are more and the awareness of the customers of these branches will also be at the highest level when compared to other geographical area. Perhaps that may be the reason for the more number of complaints from metropolitan area. Naturally there should be a positive correlation between the level of awareness and the number of complaints of a particular area.

But, one point to be remembered by the metropolitan, urban and semi urban branches is that their customers are more time conscious and better service needed people. Hence the banks should try to reduce this.
Chart 7.1
Geographical Coverage of Ombudsman Scheme
TABLE 7.3

ANALYSIS OF COMPLAINTS RECEIVED MONTH WISE

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>April</td>
<td>29</td>
<td>26</td>
<td>26</td>
<td>52</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>May</td>
<td>5</td>
<td>50</td>
<td>25</td>
<td>44</td>
<td>11</td>
</tr>
<tr>
<td>3.</td>
<td>June</td>
<td>42</td>
<td>24</td>
<td>36</td>
<td>44</td>
<td>21</td>
</tr>
<tr>
<td>4.</td>
<td>July</td>
<td>41</td>
<td>36</td>
<td>51</td>
<td>33</td>
<td>37</td>
</tr>
<tr>
<td>5.</td>
<td>August</td>
<td>20</td>
<td>24</td>
<td>27</td>
<td>27</td>
<td>47</td>
</tr>
<tr>
<td>6.</td>
<td>September</td>
<td>21</td>
<td>27</td>
<td>19</td>
<td>26</td>
<td>16</td>
</tr>
<tr>
<td>7.</td>
<td>October</td>
<td>25</td>
<td>30</td>
<td>28</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>8.</td>
<td>November</td>
<td>18</td>
<td>24</td>
<td>37</td>
<td>24</td>
<td>37</td>
</tr>
<tr>
<td>9.</td>
<td>December</td>
<td>12</td>
<td>41</td>
<td>66</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>10.</td>
<td>January</td>
<td>59</td>
<td>54</td>
<td>42</td>
<td>21</td>
<td>26</td>
</tr>
<tr>
<td>11.</td>
<td>February</td>
<td>42</td>
<td>52</td>
<td>37</td>
<td>24</td>
<td>34</td>
</tr>
<tr>
<td>12.</td>
<td>March</td>
<td>42</td>
<td>68</td>
<td>54</td>
<td>59</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>356</strong></td>
<td><strong>456</strong></td>
<td><strong>448</strong></td>
<td><strong>382</strong></td>
<td><strong>353</strong></td>
</tr>
</tbody>
</table>

Source: BOM's Annual Reports.

From the above table 7.3 it is obvious that during the month of March the number of complaints went up sharply compared to the previous months. This may perhaps due to the release of advertisements in the print media in December 2001 and March 2002.


**TABLE 7.4**

**DISPOSAL STATISTICS**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
<td>%</td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>1.</td>
<td>Awarded</td>
<td>2</td>
<td>.6</td>
<td></td>
<td></td>
<td>8</td>
<td>1.54</td>
<td>10</td>
<td>2</td>
<td>9</td>
<td>1.98</td>
</tr>
<tr>
<td>2.</td>
<td>Recommended</td>
<td>8</td>
<td>2.3</td>
<td></td>
<td></td>
<td>20</td>
<td>3.86</td>
<td>7</td>
<td>1.4</td>
<td>5</td>
<td>1.1</td>
</tr>
<tr>
<td>3.</td>
<td>Settled</td>
<td></td>
<td></td>
<td>114</td>
<td>32</td>
<td>178</td>
<td>34.36</td>
<td>182</td>
<td>36.4</td>
<td>140</td>
<td>30.76</td>
</tr>
<tr>
<td>4.</td>
<td>Rejected</td>
<td>151</td>
<td>42.4</td>
<td></td>
<td></td>
<td>104</td>
<td>20.08</td>
<td>89</td>
<td>17.8</td>
<td>106</td>
<td>23.3</td>
</tr>
<tr>
<td>5.</td>
<td>Pending</td>
<td>61</td>
<td>17.1</td>
<td>52</td>
<td>10.04</td>
<td>72</td>
<td>14.4</td>
<td>64</td>
<td>14.07</td>
<td>72</td>
<td>17.27</td>
</tr>
<tr>
<td>6.</td>
<td>Reverted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>3.86</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Probing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>impossible</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Non-maintainable</td>
<td>20</td>
<td>5.6</td>
<td>136</td>
<td>26.25</td>
<td>140</td>
<td>28</td>
<td>131</td>
<td>28.79</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>356</td>
<td>100</td>
<td>518</td>
<td>100</td>
<td>500</td>
<td>100</td>
<td>455</td>
<td>100</td>
<td>417</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: BOM's Annual Reports. (Figures in brackets shows the percentage to total)

During the year 2001-2002, out of the 417 complaints handled 149 cases were settled by mediation. When we analyse the pending cases every year it ranges from 10 percent to 17 percent of the total cases received. It shows the speed and timely action taken by the office. The rejected cases ranged from 20 percent to 46 percent. This may be due to lack of awareness. Cases must have been rejected because they did not fall within the ambit of the scheme. Settled complaints ranges from 31 percent to 36 percent over the years.
During the year 2001-2002, three recommendations were issued under section 19(1) of the scheme, of these 2 were accepted and implemented by the banks. Table 7.4 and Chart 7.2 gives the details of the total number of complaints received and disposed for the past five years from 1997-98 for 2001-2002. The total complaints for the scheme for the year 1997-98 was 356 which increased upto 99-2000 and started declining for the remaining two years. It could be seen from the table that more than 30% of the total complaints have been settled for all the years of the study. But the rejected complaints which was 42.4 percent during 1997-98 had started declining to 24 percent in 1998-99. 17.8 percent in 1999-2000 and again went up to 23.2 percent and 46.2 percent respectively for the years 2000-2001 and 2001-2002. It is interesting to note from the table that nearly 90 percent of the complaints fell under the category of either settled or rejected or pending. There were more than 25 percent of the complaints which were not maintained for the years for 1997-98 to 2000-2001 due to the failure of submission of details required by the complaints.

From the over all analysis it is clear that nearly 75 percent of the complaints were disposed either by settlement or by rejection since the complaints could not be considered under the purview of the ombudsman scheme. Hence it may be concluded that the ombudsman scheme is very much useful to redress the complaints and grievances of the customers.
Chart 7.2
Ombudsman's Disposal Statistics from 1997-2002
TABLE 7.5

AGE WISE ANALYSIS OF PENDING CASES

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Frequency %</td>
<td></td>
<td>Frequency %</td>
<td>Frequency %</td>
<td>Frequency %</td>
<td>Frequency %</td>
</tr>
<tr>
<td>1.</td>
<td>Complaints Pending for less than 1 month</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>More than 1 month less than 2 months</td>
<td>32</td>
<td>52.5</td>
<td>39</td>
<td>76.5</td>
<td>46</td>
</tr>
<tr>
<td>3.</td>
<td>More than 2 months but less than 3 months</td>
<td>13</td>
<td>21.3</td>
<td>2</td>
<td>3.9</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>More than 3 months</td>
<td>16</td>
<td>26.2</td>
<td>10</td>
<td>19.6</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>100</td>
<td>51</td>
<td>100</td>
<td>72</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: BOM’s Annual Report.

Table 7.5 and Chart 7.3 shows that during the year 2001-2002, 33 percent of the cases were pending for less than one month cases pending for more than 1 month but less than 2 months ranged from 18 percent to 81 percent of the total pending cases for all the years of the study. In the year 2000-2001 it was 81 percent. This may be due to the non-co-operation on the part of the complainants and the banks. This year (2001-2002) it constitute only 18 percent of the total pending cases.

Cases pending for more than 2 months and less than 3 months ranges from 4 percent to 21 percent of the total pending cases. This year (2001-2002) there is a sharp rise to 17 percent from 5 percent in the previous year. In the same way the cases pending for more than 3 months ranges from 14 percent to 32 percent of the total pending cases. Even in this category there is a steep rise from 14 percent to 32 percent during the year 2000-2001. This may be compared to the previous year. This may be on account of non-receipt of full information from the banks concerned for taking a final view on the complaints. But it is clear that the percentage of pending cases for more than 3 months had gone up to 31 percent when compared to the 14 percent for the previous year. This trend should not be allowed to continue failing which, the complainants will loose confidence on the ombudsman scheme.
Chart 7.3
Age Wise Analysis of Pending Cases for the Period 2001-02

Pending less than one month: 33%
More than 1 and less than 2: 18%
More than 2 and less than 3: 17%
More than 3: 32%
TABLE 7.6

RESIDENTIAL STATUS OF THE COMPLAINTS

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. *Govt. Departments</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>2. Resident Individuals</td>
<td>79</td>
<td>123</td>
<td>262</td>
<td>260</td>
<td>213</td>
</tr>
<tr>
<td>3. NRI</td>
<td>2</td>
<td>7</td>
<td>17</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>4. PSU’s</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>5. Association and Clubs</td>
<td>5</td>
<td>11</td>
<td>29</td>
<td>28</td>
<td>46</td>
</tr>
<tr>
<td>6. ** Ltd companies</td>
<td>20</td>
<td>19</td>
<td>35</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>7. Partnership firms/Proprietorship concerns</td>
<td>8</td>
<td>13</td>
<td>60</td>
<td>52</td>
<td>49</td>
</tr>
<tr>
<td>8. Pensioners</td>
<td>-</td>
<td>-</td>
<td>36</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: BOM's Annual Reports.

Note: * Govt. department includes State and Central Government.
** Ltd. companies includes Private and Public Ltd. companies.

An analysis of the different categories of the customers who lodged complaints to ombudsman scheme is done, so as to know which category of the customers had more grievances and sought for redressal. It is clear from the table that resident individuals have more grievances against the banking services for all the years of the study. It ranges from 79 in 1997-98 to 213 in 2001-2002 with same fluctuations. This is followed by partnership firms, associations and clubs and limited companies as seen in the table 7.6 and chart 7.4. It is interesting to note that even the state and central governments had sought redressal for their grievances of course with less number of complaints. All these are evidences that the different categories of the customers had complaints against customer services of banks. To gain the confidence of all these different categories of the customers, the bankers should take all precautions to provide them better services.
Table 7.7 and Chart 7.5 shows that major constituents of the complaints received is from the nationalised group. Its coverage ranges from 46 percent to 63 percent over the years. Second major group is SBI group. Its coverage ranges from 20 percent to 29 percent over the years. Third major constituent is private sector banks. Other constituents are foreign banks, unscheduled banks, apex co-operative banks, district central co-operative banks, and others & regional rural banks.

During the current year (2001-2002) the Nationalised Banks constitute 46 percent, SBI group 26 percent, Private Banks 14 percent. This is due to the fact that these banks have larger branch network in the area of jurisdiction of this office.
TABLE 7.8

NATURE-WISE ANALYSIS OF RESOLVED COMPLAINTS

<table>
<thead>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Delay in sanction of loan</td>
<td>23</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>Non-observance of RBI directives</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Delay in collection of instruments</td>
<td>17</td>
<td>31</td>
<td>35</td>
<td>37</td>
<td>14</td>
</tr>
<tr>
<td>4.</td>
<td>Failure to honour LC/LG</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>5.</td>
<td>Unauthorised debits in deposits</td>
<td>5</td>
<td>12</td>
<td>7</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>6.</td>
<td>Operations in deposits</td>
<td>26</td>
<td>35</td>
<td>43</td>
<td>72</td>
<td>36</td>
</tr>
<tr>
<td>7.</td>
<td>Non-issue/loss of DD</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>8.</td>
<td>Foreign exchange</td>
<td>4</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>9.</td>
<td>Miscellaneous</td>
<td>28</td>
<td>71</td>
<td>77</td>
<td>214</td>
<td>254</td>
</tr>
<tr>
<td>10.</td>
<td>NRI's Remittance Proceeds</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>11.</td>
<td>Non-acceptance of small denomination</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>12.</td>
<td>Non-adherence to prescribed working hours</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>13.</td>
<td>From exporters regarding export bills</td>
<td>-</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: BOM's Annual Reports.

The details of the different nature of the complaints are given in table 7.8. It is seen from this that the number of the miscellaneous complaints are the highest followed by operations in deposits, delay in collection of instruments and failure to honour LC/LG. From the above analysis the bankers should learn a lesson and try to reduce the number of complaints in that category if not completely avoid. Only then the banks will earn the confidence of the public and the customers will also feel that 'better customer' services are provided by the bankers. This is the 'back leave' for the success of any banking concern.
HYPOTHESIS

There is no significant reduction in the complaint received.

The total change is that complaints received over the period 1997-98 to 2000-2002 is examined with the concordance coefficient method. For the data, percentages are calculated and ranks are assigned. To test the changes in the complaints the following procedure is followed.

Test Procedure

1. $H_0$ : There is no significant reduction in the complaints received.

   $H_1$ : There is significant reduction in the complaints received.

2. Level of significance : $\chi^2 = 5$ percent

3. Statistic used:

   $\chi^2 = M \ (n-1) \ W$

   where

   $\chi^2$ = Chi-square

   $N$ = Number of years

   $n$ = Number of observation

   $W$ = Concordance Coefficient

   $W = \frac{\Sigma \text{diff}^2}{1/12 \ m^2 \ (n^3-n)-nt}$
N = Number of Years
n = Number of Observations
t = Number of observations in a group tied for a given ranks.

4. Critical region: Reject H₀ if $\chi^2 \geq \chi^2_{\text{critical value}}$ with (n-1) df. at 5 percent level of significance.

5. Computed value:

\[
\begin{align*}
\chi^2 &= 17.4812 \\
\chi^2_{0.05} &= 19.675
\end{align*}
\]

The calculated value $\chi^2 = 17.4812$ is less than the table value ($\chi^2_{0.05} = 19.675$) and hence the null hypothesis holds true. We can conclude that there is no significant reduction in the number of complaints from 1997-98 to 2001-2002. This is evidently seen from the variation in the total number of complaints from 357 in 1997-98 to 457 in 1998-99, 448 in 1999-2000, 382 in 2000-2001 and 353 in 2001-2002.
HYPOTHESIS

There is no significant relationship between the number of complaints received and disposed.

To test this hypothesis data pertaining to eligible complaints received and complaints disposed are considered. 'F' test is used and the procedures are given below.

Details of Complaints

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Eligible complaints received</th>
<th>Complaints disposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1997-98</td>
<td>206</td>
<td>124</td>
</tr>
<tr>
<td>2.</td>
<td>1998-99</td>
<td>353</td>
<td>206</td>
</tr>
<tr>
<td>3.</td>
<td>1999-2000</td>
<td>359</td>
<td>199</td>
</tr>
<tr>
<td>4.</td>
<td>2000-2001</td>
<td>276</td>
<td>154</td>
</tr>
<tr>
<td>5.</td>
<td>2001-2002</td>
<td>160</td>
<td>152</td>
</tr>
</tbody>
</table>

Test procedure

1. \( H_0 \) : There is no significant relationship between the complaint received and disposed.

\( H_1 \) : There is significant relationship between the complaint received and disposed.

2. ANOVA Table

<table>
<thead>
<tr>
<th>Sources of Variation</th>
<th>Sum of squares</th>
<th>DF</th>
<th>Mean square</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Rows</td>
<td>28322.4</td>
<td>4</td>
<td>7080.6</td>
<td>3.774106</td>
</tr>
<tr>
<td>Between columns</td>
<td>26936.1</td>
<td>1</td>
<td>26936.1</td>
<td>14.3575</td>
</tr>
<tr>
<td>Residual</td>
<td>7504.4</td>
<td>4</td>
<td>1876.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>62762.9</td>
<td>9</td>
<td>6973.6556</td>
<td></td>
</tr>
</tbody>
</table>
The table value of $F$ at 5 percent for $V_1 = 4$ and $V_2 = 4$ is 6.39. Since the calculated value 3.774106 is much less than the tabulated value, the null hypothesis is accepted. It is clear that there is no significant relationship between the means of complaints received and disposed over the years.

The table value of $F$ at 5 percent for $V_1 = 1$ and $V_2 = 4$ is 7.71. Since the computed value (14.3575) is much higher than the tabulated value, the null hypothesis is rejected. Therefore there is significant relationship between the means of eligible complaints received and complaints disposed.

**HYPOTHESIS**

There is no significant difference in the type of complaintants based on the residential status.

To find the relationship between the different type of complaints ANOVA method is followed for the given data in table 7.6.

**ANALYSIS OF VARIANCE**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean Squares</th>
<th>$F$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Rows</td>
<td>133476.3750</td>
<td>7</td>
<td>19068.0536</td>
<td>25.59334</td>
</tr>
<tr>
<td>Between Columns</td>
<td>9656.5000</td>
<td>4</td>
<td>2414.1250</td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>22629.5000</td>
<td>28</td>
<td>808.1964</td>
<td></td>
</tr>
</tbody>
</table>

Table value for $V_1 = 7$ and $V_2 = 28$ is 2.36 at 5 percent level of probability. The calculated value of $F$ is more than the table value 25.59334 and hence the hypothesis is rejected. Hence the test brings out significant difference between the complaints based on residential status by the authorities over the years.
HYPOTHESIS

There is no significant difference in the types of Banks that has used the Banking Ombudsman Scheme over the years.

To test this hypothesis data given in table 7.7 are used.

To find the relationship between the different types of banks on ANOVA method is followed and the results are given in table, for the test of hypothesis.

ANOVA

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean Squares</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Rows</td>
<td>770973.6444</td>
<td>8</td>
<td>96371.7056</td>
<td>121.7566</td>
</tr>
<tr>
<td>Between Columns</td>
<td>7468.4444</td>
<td>4</td>
<td>1867.1111</td>
<td>2.3589</td>
</tr>
<tr>
<td>Residual</td>
<td>25328.3556</td>
<td>32</td>
<td>791.5111</td>
<td></td>
</tr>
</tbody>
</table>

Table value for $V_1 = 8$ and $V_2 = 32$ is 2.27 at 5 percent level of probability. The calculated of $F$ (121.7566) is much more than the table value and hence the hypothesis is rejected. Hence the test brings out significant difference between the complaints made by different groups of banks with Ombudsman Scheme.

Table value for $V_1 = 4$ and $V_2 = 32$ is 2.69 at 5 percent level of probability. The computed value (2.3589) is less than the table value and the hypothesis is accepted. Therefore, there is no significant difference between the complaints over the years.
HYPOTHESIS

There is no significant difference in the type of complaints.

To find the relationship between different types of complaints on ANOVA method is followed and the results are given in the table, for the test of null hypothesis that is formulated. For this purpose data in table 7.8 has been used for analysis.

<table>
<thead>
<tr>
<th>Sources of Variation</th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean Squares</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Rows</td>
<td>74342.7385</td>
<td>12</td>
<td>6195.2282</td>
<td>7.957209</td>
</tr>
<tr>
<td>Between Columns</td>
<td>4081.1385</td>
<td>4</td>
<td>1020.2846</td>
<td>4.3105</td>
</tr>
<tr>
<td>Residual</td>
<td>37371.2615</td>
<td>48</td>
<td>778.5679</td>
<td></td>
</tr>
</tbody>
</table>

Table value for $V_1 = 12$ and $V_2 = 48$ is 1.94 at 5 percent level of probability. The calculated value of $F$ (7.957209) is more than the table value and hence the hypothesis is rejected. Hence there is a significant difference between the types of complaints received by Ombudsman Scheme over the years.

Table value for $V_1 = 4$ and $V_2 = 48$ is 2.65 at 5 percent level of probability. The computed value of $F$ (1.3105) is less than the table value and hence the hypothesis is accepted. Hence it is inferred that there is no significant difference in the types of complaints received over the years.
Summary, Suggestions and Conclusions
CHAPTER VIII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

The famous adages "customer is king", "customer is profit - everything else is overhead"; along with the famous definition of a customer by Mahatma Gandhi are quite familiar and do not need any repetition. But in practice, though not totally, part of the customer group is dissatisfied about the services provided by the banks.

Nationalisation of banks has brought about a phenomenal growth in the volume of business, branch expansion, and variety of services provided to the customers. Nationalisation of commercial banks followed by the latest policy of liberalisation and globalisation have resulted in forceful competition among the bankers. Pricing and placing strategies are having limited scope with regard to banking institutions as the interest rates and branch expansion are determined by the policy guidelines framed by the Reserve Bank of India and the Government of India. Hence, quality customer service which is something integrated to the banking business is the only way to distinguish them from others in order to retain the present customers. Customers are well informed and hence their expectations have grown over a period of time and they would like to have quick, efficient and timely service from the banks.
Today the concept of 'Marketing in Banks' assumes greater importance under the stiff competition for resource mobilisation and for their existence. Hence an attempt is made in this study to find out, the customers and bankers opinion about the customer service in banks.

Customer Service is a derivative of a mix of human reactions influenced by a host of stimuli, evaluating from within and outside the organisation. This term refers to an attitude of daily attention of the customer concerned and catering to his present and future needs. It will only be possible with commitment and involvement of all staff at all levels. Hence customer service would mean the right commercial and developmental attitude of banks and quality staff with vision who are capable of meeting the customer's needs.

The time norms followed by executing the counter transaction, the efficiency with which the services are delivered, amenities provided in the bank premises, ancillary services provided by the banks, behavioural aspect of the staff in banks, grievance and redressal procedures suggested by the Goiporia Committee, which were not dealt in the previous studies, are examined in this study.

The main objective of the study is to find out customer's satisfaction in receiving the services provided by the bankers.
The objectives of the study derived from the main objective are as follows.

1. To study the genesis and growth of customer services in Commercial Banks.

2. To analyse the customers' opinion about the customer service and the level of satisfaction derived thereon.

3. To examine the customer services of the banks and to elicit bankers' opinion about the same.

4. To explore the grievances of the customers, the redressal mechanism available and its effectiveness.

5. To compare the opinion of the customers and the bankers in the provision and implementation of the Goiporia Committee recommendations on Customer Service in Commercial Bank.

6. To analyse and study the mechanism of the Banking Ombudsman Scheme, 1995.

7. To suggest measures for improving the customer service for a higher level of satisfaction.
HYPOTHESES

Keeping in view the wider theoretical framework and objectives of the study, the researcher has formulated and tested the following hypotheses.

1. There is a significant relationship between the perception of customers and bankers.

2. Customer services provided by the banks in the metro are better than the services provided by them in the urban.

3. There is a significant difference in the amenities provided by the bankers in the metro and urban.

4. There is a significant relationship between the customers and bankers opinion on the technical aspect of the customer service provided by the bankers.

5. There is no difference between the opinion of bankers and customers on after sales services.

6. The Bankers perform more efficiently by adhering to the stipulated time norms to the satisfaction of customers.

7. There is no significant reduction in the complaints received.
8. There is no significant relationship between the number of complaints received and disposed.

9. There is no significant difference in the types of complaints.

10. There is no significant difference in the types of banks that has used the Ombudsman Scheme over the years.

11. There is no significant difference in the nature of complaints received by Ombudsman Scheme over the years.

RESEARCH METHODOLOGY

This is an empirical study, based on customers belonging to the metro and other urban areas of selected banks in Tamil Nadu. Description and Analytical Methodology has been adopted in this study. A questionnaire comprising of four parts was developed. In the first part, personal information was asked. The second part includes questions to identify them as customers. Multiple choice and dichotomous type of questions were included in the third part. Part IV comprises of questions related to behavioural aspects, amenities provided, choice of the bank etc. Finally suggestions of the respondent were asked.

A similar type of Questionnaire was framed to get the opinion of the Bankers in delivering customer service. This questionnaire also consists of four parts. The first part is meant for the demographic details of Bank respondents. The second part consists of the details regarding the time norms of the counter
transaction. Questions were asked in the third part to get information about the provision of loan details and few authority services. Questions were included in the fourth part to get Banker's opinion about the amenities, complaint procedure and ranking the customer service in their bank. Finally suggestions were invited in the Questionnaire.

A pilot study among 80 customers of various Banks was conducted in the study areas to bring to the light the weaknesses. A similar pilot study was conducted among 75 bank employees. The loopholes in the Questionnaire were removed and it was suitably modified after inculcating the opinion of the customers and the advice of the bankers. The improved questionnaire given in the appendix was administered for the field study.

Chennai region comprising of the Chennai district, a metropolitan city, along with Vellore in North Arcot District, Kancheepuram and Walajapet, the three urban areas were selected for the study. Chennai region is selected as Chennai is the capital of Tamil Nadu comprising of people of different walks of life and status.

**SAMPLE OF THE STUDY**

A total of 1200 customers, 600 from Madras, a metropolitan city and 200 from each of the three Taluks were conveniently selected with the assumption that atleast 75 percent of the customers would promptly respond to the Questionnaire. The sample size is equally proportioned between the metro and the urban areas for the purpose of making a comparative analysis.
The questionnaires were distributed to the customers who were holding an account in a bank. A total of 690 (380 from Metro and 310 from Urban) duly filled in questionnaires were received. The inferences and conclusions are made on the basis of information which were subject to statistical analysis. Banker respondents were selected on the basis of convenience and purposiveness.

Primary data were collected during the financial year 2000-2001. Questionnaire, Personal Interview and Observation techniques have been used to collect the primary data relating to customer service in Banks. Some of the Statistical Tools like chi-square test, Mean score, Correlation, Anova test, T test have been used to make inferences and draw conclusions.

Both primary and secondary data were used for the study. Secondary data were collected from different Newspapers, Journals, Magazines, reports, books etc. for which the researcher has approached various institutions like Indian Institute of Management, Bangalore, Indian Bank, Staff Training College, Image, Mandavalipakkam, Chennai, Indian Overseas Bank, Staff Training College, Koyambedu, Chennai, State Bank of India Staff Training College, Chennai, Canara Bank Staff Training College, Chennai, Reserve Bank of India Staff Training College, Teynampet Chennai, Institute for Financial Management and Research, Nungambakkam Chennai, Connemara Library Chennai and some public and University Libraries in India, Madras Institute of Development Studies (MIDS), Adyar, University of Madras, Library etc.
LIMITATIONS

The study is limited only to Chennai, Vellore, Kancheepuram and Walajapet in Tamil Nadu. Rural folks are excluded on the assumption that they may not have been well informed and educated. Sample size and the area is restricted to only four districts due to constraints of time and money. The study is confined to only counter customer-service and the redressal procedures.

There is always the problem of choosing from limited options given in the questionnaire which may not match one views, respondents are given scope to go beyond the option where ever necessary. Any study on customer service cannot provide enduring findings over time, as expectations of the customer and the type of service provided by banks change from time to time. Therefore the findings of the study indicate only contemporary views of the customers and may not hold good for all time to come. Majority opinion of the respondents have been considered for analysis.

CHAPTERISATION

This study is presented in eight chapters.

The importance of the study, limitations, methodology, chapterisation scheme are all dealt with in the First Chapter.
The second chapter deals with the review of the literature available.

The evolution of Banking both Abroad as well as in India, and the genesis and growth of customer service in India are traced in the Third Chapter.

The detailed profile of the customer is given in the Fourth Chapter.

The opinion of the customers about the customer services is discussed at length in Chapter Five.

The banker's opinion on customer service in banks are analysed in Chapter Six.

In Chapter Seven, grievances and redressal mechanisms with special reference to Banking Ombudsman Scheme were analysed.

Chapter Eighth being the present one, provides a summary of the findings, suggestions and conclusions.

FINDINGS OF THE STUDY

The main findings of the study detailed in Chapter V to VII are summarised and given below.
CUSTOMER'S OPINION ABOUT CUSTOMER SERVICES IN BANKS

COUNTER TRANSACTIONS

Collection of cheques

Majority of the metro and urban customers have stated that the deposit and withdrawal of cash takes less than 15 minutes on an average. Collection of local cheque takes up to a maximum of 2 days, outstation cheques takes up to a maximum of 4 days and it is quicker in urban areas than in the metropolitan, in most of the cases are within the norms prescribed by the Goiporia Committee. Though various committees have recommended that immediate credit up to Rs.7500 has to be given against local cheques and outstation cheques, it is only followed at the discretion of the bank manager.

In both the metro and urban areas majority of the respondents have revealed that immediate credit against local and outstation cheques and the payment of interest on delayed collection is paid only on request, which is contrary to the recommendation of the committee since it has to be done even without request.

For delayed credit, banks collect interest from the drawers bank and pay it to the customer. Only 19 percent of the respondents in the metro and 39 percent in the urban areas have reported that interest is credited on delayed collection without reminder. But the percentage is very low and not even 50 percent which is an evidence that the customer service in this aspect is not an encouraging one.
MAIL TRANSFER

In many banks Mail Transfer (MTs) have been dispensed with, as it is considered to be the duplication of draft. In practice Mail Transfers take 5 to 7 days to reach the other end. It is elicited from the customers that, if it is delayed beyond 10 days, interest is paid for such delay.

TERM DEPOSIT HOLDERS

Reminders must be sent in advance to the account holders as per the recommendation of Goiporia Committee. 62 percent of the respondents in the Metro and 59.5 percent in the urban regions have reported that the reminders regarding the maturity of the term deposits were made by the banks before a fortnight i.e. within the reasonable time. Yet the remaining 38 to 40 percent of the customers expressed dissatisfaction in this regard. This should be avoided.

STANDING INSTRUCTION

It is a service provided by the bankers to carry out any specific instruction given to them by their customers. Collection of dividend, payment of premium, or bills are few examples for which the standing instruction is given by the customer to their banker, which they cannot deny. But only 36 percent of the total respondents in the metro and 44 percent of the total respondents in the urban have stated that they have availed this service with
their bank. 76 percent and 71 percent of the metro and urban customers have expressed that the standing instructions are promptly carried out.

NOMINATION FACILITY

80 percent of the metro respondents and 76 percent of the urban respondents have stated that they have availed the nomination facility. Goiporia Committee have insisted that a clause should be added to the account opening form. This must cover the existing customers also. Notice board in this regard is displayed in their Banking Hall. It is advisable to nominate the nominees to avoid claim settlement at a future date.

OTHER FACILITATING SERVICES

Nearly 3/4th of the total respondents in urban and metro have availed the cheque book facility. It is observed that the subsequent cheque book is issued on the same day. Entries are made in the passbook neatly, immediately and returned on the same day. Both in the metro and urban areas majority of the customers strongly agree upon the same.

More than 80 percent of the respondents in metro and urban are of the opinion that there are no mistakes made in the passbook. The others have stated that when the mistakes are pointed out the response of the banker was good in both metro and urban.
LOAN FACILITY GIVEN

Each bank has adopted its own way of granting loan under different names and schemes. 30 percent of the respondents in the metro and 24 percent in the urban have stated that they have borrowed from the banks. It is observed that the customers are given adequate amount of loan. Those who were not given adequate amount of loan have accepted that it is due to technical reasons like incomplete documentation, inadequate security etc. 68 percent of the borrowers of both metro and urban areas are of the opinion that the procedure followed by the banks for granting loans is simple. It is stated that the reasonable time taken for sanctioning the loan is 8 days to 15 days, of which nearly a minimum of 10 days is taken for processing the loan and a maximum of 2 to 3 days is taken for documentation. When the loan is granted for business purposes monthly visits are made by the bankers in almost all the cases. The objective of visit is to take stock of the position, financial condition, and ascertain whether the unit is functioning. In case the borrower has to pay the instalments, the managers remind them 41 percent of the metro respondents and 47 percent of the urban customers have stated they have used the bank employees' influence in availing the loan.

LOCKER FACILITY

Only 40 percent of the metro respondents and 24 percent of the urban respondents have availed the locker facility. Of the customers, who have availed the locker facility, nearly 65 percent both in metro and urban are of
the opinion that rent charged for locker facility is nominal. 44 percent in the metro and 40 percent in the urban feel that security deposit collected is nominal. The attitude of the bankers in allowing the customers to operate the locker is good, except that they have to be in the premises an hour before the close of normal working hours.

**CURRENT ACCOUNT**

It is observed that 25 percent and 20 percent both in metro and urban area respectively operate current accounts and stated that statements are provided to them as per their request. In a few cases there is a delay of not more than 5 days.

**AMENITIES**

According to 80 percent of the respondents, pay-in-slips and challan forms for the demand draft and mail transfer are easily accessible. 65 percent of respondents in metro and urban area are of the opinion that response from the staff of the branch to the queries are good.

Prompt opening / closing of the branch is rated as good by 52 percent respondents in the metro and 53 percent in the urban.

54 percent of the metro and 48 percent of the respondents opined that uninterrupted services are rendered at the counter during business hours. More than 55 percent of the respondents answered that treatment of customers by the banker is good.
Arrangement for providing guidance to customers are evaluated as good by 56 percent of the customers in the metro and 46 percent in the urban. Provision of display boards at the appropriate counter is good according to nearly 50 percent of the respondents both in urban and metro. Adequacy of space is rated as good only by 46 percent of the metro customers and 52 percent of the urban customers. Around 50 percent of the customers both in metro and urban felt that the upkeep and cleanliness was good.

It may be said from the analysis of the data regarding the provision of amenities to customers, that a lot of improvement needs to be made both in the metro and urban area, since there is a very meagre percentage of differences in the opinion of the customers of both areas. But in general it can be concluded that nearly 50 percent of the respondents are alone satisfied with the amenities provided and a lot need to be done to provide better amenities to the customers so as to make them more satisfied.

COMPLAINTS AND REDRESSAL

For a question whether the sample respondents have lodged any complaints about the poor services in the recent past only 22 percent of metro and 18 percent of urban respondents have answered affirmatively. Even among the complainants most of the complaints are related to the discourteous treatment of the Branch Manager and the Staff. But majority of them (both in Urban 68 percent and Metropolitan 65 percent) are of the opinion that they were promptly attended and their problems solved.
Only 40 percent of both metro and urban customers are aware of the "Customers Day" scheduled to be held on the 15th of every month. Likewise only 28 percent of the respondents are aware of the "Banking Ombudsman Scheme", a grievance redressal scheme. Hence customers have to be educated to make them aware of this day and Banking Ombudsman Scheme, in which they can redresse their problems.

BEHAVIOURAL ASPECT

To evaluate the behavioural aspect of the Bank Manager and Clerk a question was included in the Questionnaire to the customers. Majority of the respondents opined that both clerks and managers were polite in their behaviour. Around 20 percent to 25 percent felt that they were rude. Since customers satisfaction is the most important factor to retain the customers, positive attitude and courteous behaviour must be developed by the bankers towards customers.

MARKETING

Less than 40 percent of the metro and urban customers have stated that new services introduced by banks are made known to them by advertisements which means that the banks failed to take active steps to keep their customers informed about the new services. This trend is to be averted to retain the existing customers and to attract new customers.
Further from the study and survey it is clear that nearness to residence or working place is one of the factors attracting the customers. Transfer of officials affects the quality of service have equal probability in affirmative and negative responses. 55 percent of the metro customer respondents and 57 percent of urban respondents have ranked the customer services provided by their banks as good.

In chapter Six the researcher made an attempt to analyse and compare the opinion of the customers and bankers about the customer service in Bank. Services are grouped under Efficiency aspect, Technical aspect, after sales service, ancillary services, behavioural aspect and amenities.

**EFFICIENCY ASPECT**

Customers have the right to receive efficient and prompt handling of their transactions from the banker. They are willing to wait for a reasonable time depending on the type of transaction. Time taken for accepting deposit, making payments for withdrawals, to credit local and outstation cheques, for mail transfer, processing of loan, promptly sending current account statements, etc are the main criteria for efficient customer service. Analysis of the responses of the primary data by the customers and bankers agree with each other in the above said transactions which is tested in the hypothesis given below.

Contrary to the primary data, analysis of the test of the 'Hypothesis', "bankers perform more efficiently by adhering to the stipulated norms to the satisfaction of customers", revealed, that there is no significant relationship between the views of customers and bankers on the issue.
TECHNICAL ASPECT

In case of bank services, technical aspect implies the arithmetical accuracy of transactions, correct remittances, accurate entries in the monthly statement of accounts, timely reminders about the maturity of fixed deposits, updating and legibility of passbook are the technical aspects of customer service.

Analysis of the primary data shows that bankers and customers opinion strongly agree with each other about the technical aspects of the customer services. It is confirmed through the test of the following Hypothesis, "there is a significant relationship between the customers' and bankers' opinion on the technical aspect of the customer service provided by the bankers."

AFTER SALES SERVICE

Transactions like provision of interest on delayed collection of cheques, delay in mail transfer, provision of immediate credit on cheques deposited etc. can be grouped under after sale service, where the bankers have to necessarily keep their promise and confidence of the future performances, failing which they have to suitably compensate the customers to gain their confidence.

Comparing the banker's opinion and customer's opinion regarding the above said transactions they slightly differ from each other. For example in the provision of immediate credit on deposit of local and outstation cheques, the bankers use their discretionary power. Likewise bankers used to provide interest for delayed collection of local and outstation cheques and delay in mail
transfer etc. only when it is demanded. The hypothesis is verified that "there is no difference between the opinion of the bankers and customers on after sale service".

Analysis of the after sales services reveals that there is a lot of scope for improvement, before which educating the customers to make them aware of their rights becomes necessary.

ANCILLARY SERVICES

Additional services other than the regular banking transactions such as accepting deposits and lending loans, provision of safe deposit lockers, accepting standing instruction, mail transfer facility, nomination facility etc. can be classified as ancillary services. Analysis of the primary data showed that, in most of the ancillary services, there is a disagreement between the customer's opinion and banker's opinion, relating to the ancillary services such as mail transfer and execution of standing instruction and safe deposit lockers.

Majority (78 percent) of the customers have answered that they have given the nomination. Others might have given nomination without knowing themselves since it is obligatory.

Analysis and observation shows that ancillary services are provided by all the banks. But it is availed only by few customers.
Customers availing these ancillary services is very low. It may be presumed that most of them are not aware of the provision of these services by the banks. Hence it is advisable that the banks and other authorities should take all possible steps to make them aware of these services. Only then the percentage of the customers using these services will go up. Banking Ombudsman scheme, 1995 was studied and analysed. The scheme was introduced in the year 1995 to handle complaints exclusively from the Banking Industry. Though the functioning of the office is efficiently carried out, it has to go a long way in reaching the customers. It needs to create customer awareness which is possible with publicity.

It is clear from the analysis that the Banking Ombudsman Scheme is effective and efficient in solving the cases which falls within the ambit of its jurisdiction. It needs much wider publicity in reaching the common man.

SUGGESTIONS

In order to improve the Quality of customer service and thereby increase the loyalty of customers to retain them, the following suggestions, based on the findings, are given below:

1. Test of Hypothesis shows that there is a significant difference in the customer service provided for metro and urban areas. There are better amenities in metro, when compared to urban area. Hence, banks in
urban area should take due care in providing better amenities, and good customer service.

2. After sales services like timely reminder about the maturity of term deposit, sending current accounts statements promptly, crediting interest on delayed collection of cheques, delayed credit of mail transfer etc. should be improved to make the customers fully satisfied.

3. Quality of customer service depends on the behavioural aspect of the frontline staff. Though lesser percentage of customers have evaluated negatively it will affect the image of the bank. Therefore, it is a must on their part to develop friendly, courteous, and welcoming attitude.

4. Since most of the respondents are not aware of the Ombudsman Scheme, customers must be educated properly to become aware of the Ombudsman Scheme so as to motivate them to approach the same in getting redressal for their grievances.

5. Goiporia committee has recommended that 15th of every month should be observed as "Customer meet". This meeting could be utilised as an opportunity by the bankers to welcome suggestions and complaints from the customers, creating an awareness about the new schemes, guiding them in choosing the right scheme based on their requirement and above all in creating trust and loyalty.
6. Banks should adhere to the time norms in executing its business like accepting deposits, withdrawal of cash, collection of local and outstation cheques, mail transfer, etc.

7. Preparation of customer profile, ie customer data, or data warehouse must be maintained in each branch. This will help the banker in analysing and grouping the customers. In turn this will help in planning, organising and marketing of their banking products.

8. It is suggested that immediate credit should be given on local and outstation cheques upto Rs.7500 without any discretion on the part of the banker as recommended by the different committees.

9. From the study it is clear that interest on delayed collection is given only on request. It is suggested that it may be provided without being asked for by the customers, since most of them may not aware of this fact at all.

10. "Standing Instruction" is a service provided by the Bankers. But only 33 percent of the respondents made use of the service from which it is clear that majority of them are unaware of it. Hence it is suggested that the banker should take steps to make the customers aware of this facility.

11. Locker facility is being provided by only 57.88 percent of the respondents of the bankers. At present this service becomes a necessity in urban and metropolitan area to give protection to the valuables of the
customers. Hence it is suggested that this type of services must be provided by almost all the bankers particularly in urban and metropolitan area. The use of safe deposit locker there is a condition that the customers should be in the premises one hour before the close of the working hours. It is suggested that this time schedule may be reduced as 15 minutes before the closing hours of the bank to operate the lockers.

12. Nearly half of the respondents felt that the time schedule in opening of the branches is not maintained. Hence it is suggested punctuality of the working hours should be maintained besides providing better facilities for them.

13. Loan procedures should be simplified, as 32 percent of them are not fully satisfied. Hence it is suggested besides simplifying the procedures of loan, the time taken for processing the loan application may also be reduced.

CONCLUSION

In a competitive situation, the customers demands tend to increase. The customers expect speed, accuracy, courtesy and concern, and convenience from the banks. These are the important aspects of customer service. Depositors, being the suppliers of capital will assess the quality of the service provided from the above said aspects.
As mentioned earlier, in the scenario of intensified competition, the success formula is "Survival of the fittest". It necessitates a comprehensive 'customer dissatisfaction analysis'. Intensive analytical work through customer complaints will lead to innovation of new methods and services in rendering improved quality customer service for meeting the emerging needs of the customer.

**SCOPE FOR FUTURE RESEARCH**

1. Based on the experience gained, future research can be conducted on the customer service provided by private sector banks and public sector banks.

2. A study on computerisation and customer service can also be taken for future research.

3. The emerging concept is "customer relationship management" which provides adequate scope for study by banks in customer retention.

4. The research can also be undertaken to study the role of Banking Ombudsman Scheme 1995 in customer redressal mechanism.