



Registry to Check Bank Fraud

Why in News?

Recently, the [Reserve Bank of India \(RBI\)](#) considering setting up a fraud registry to create a database of fraudulent websites, phones and various methods used by fraudsters.

What are the Key Highlights of the Fraud Registry?

- **About:**
 - The Registry's database will **help prevent fraudsters from repeating the fraud as the websites or phone numbers would be blacklisted.**
 - The Payment system participants will be **provided access to this registry for near-real-time fraud monitoring.**
- **Create Awareness:**
 - The aggregated fraud data will be published to educate customers on emerging risks.
- **Ombudsman Scheme:**
 - Under this scheme around **4.18 lakh complaints were received during 2021-22 as against 3.82 lakh in the previous year.**
 - **About 97.9% of cases were cleared in 2021 as compared to 96.5% in 2020.**
 - About **39% of the complaints received by the RBI during the last financial year were related to digital transactions.**
- **Other Related Initiatives:**
 - The integrated consumer grievance redressal mechanism for addressing service deficiencies in banking, [NBFCs](#) and [digital payment systems.](#)
- **One Nation One Ombudsman:**
 - Prime Minister launched the **One Nation One Ombudsman** to make the alternate dispute redressal mechanism simpler and more responsive to the customers of regulated entities.

What is Banking Ombudsman Scheme?

- **About:**
 - The scheme was **launched for resolving customer grievances in relation to services provided by entities regulated by RBI** in an expeditious and cost-effective manner.
 - It amalgamates **three ombudsman schemes of RBI - banking ombudsman scheme of 2006, [ombudsman scheme for NBFCs of 2018](#) and ombudsman scheme of digital transactions of 2019.**
 - The unified ombudsman scheme will **provide redress of customer complaints involving deficiency** in services rendered by RBI regulated entities viz. banks, [NBFCs \(Non banking Financial Companies\)](#) and pre-paid instrument players if the grievance is not resolved to the satisfaction of the customers or not replied within a period of 30 days by the regulated entity.
 - It also includes **non-scheduled primary [co-operative banks](#) with a deposit size of Rs 50 crore and above.**
 - The integrated scheme makes it a **"One Nation One Ombudsman"** approach and jurisdiction neutral.

Who is an Ombudsman?

- A government official **who deals with complaints made by ordinary people** against public organizations. This concept of Ombudsman **arrived from Sweden**.
- It means **an officer appointed by the Legislature to handle complaints against a service or administrative authority**.
- In India an Ombudsman is appointed to resolve grievances in the following sectors.
 - Insurance Ombudsman
 - Income Tax Ombudsman
 - Banking Ombudsman

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. With reference to the institution of Banking Ombudsman in India, which one of the statements is not correct? (2010)

- (a) The Banking Ombudsman is appointed by the Reserve Bank of India
- (b) The Banking Ombudsman can consider complaints from Non-Resident Indians having accounts in India
- (c) The orders passed by the Banking Ombudsman are final and binding on the parties concerned
- (d) The service provided by the Banking Ombudsman is free of any fee

Ans: (c)

Exp:

- **The Banking Ombudsman Scheme is an expeditious and inexpensive forum for bank customers for resolution of complaints relating to certain services rendered by banks.** It was launched in 2006, and was recently amended in 2017.
- All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.
- Banking Ombudsman is appointed by the Reserve Bank from among its officers of the rank of Chief General Manager or General Manager. They shall have tenure not exceeding 3 years at a time.
- Any person aggrieved by the final orders of the Banking Ombudsman can approach the Appellate Authority. The Appellate Authority is vested with the Deputy Governor of the RBI.
- **The Banking Ombudsman can consider complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad,** deposits and other bank-related matters.
- The service provided by the Banking Ombudsman is free of any fee.
- **Therefore, option (c) is the correct answer**

Source: IE