

# Responsibilities and Rights of Consumers and Banks in Banking Services



*Usha Thorat*

Indian Banks' Association (IBA) jointly with Consumers Association of India (CAI) organised a seminar on 'Responsibilities and Rights of Consumers and Banks in Banking Services' at Abirami Chidambaram Community Hall, Kotturpuram, Chennai on October 6, 2008 for providing a common platform for all stakeholders to represent their point of view.

R Desikan, founder trustee, CAI welcomed the gathering and outlined the objectives of the seminar. He talked briefly about the activities that CAI was involved in, during the last 7 years. With the banking activities reaching their peak, he felt, the time had come for a seminar of this nature to threadbare discuss various issues that were involved.

In his inaugural address, S Ramakrishnan, IAS (retired), chief commissioner, Right to Information (RTI) Commission, Tamil Nadu spoke about the relevance of RTI in consumer affairs and banking services.

K Unnikrishnan, deputy chief executive, IBA in his opening remarks briefed about the role of IBA in consumer service in banking. He traced the history of banking and IBA, stating that till 1971, IBA was the forum, which took suo moto decisions on charges and service levels. A paradigm shift took place in 1991 when RBI decided to leave micro management of banks to their boards. With the entry of private banks and competition, new products were developed with

fresh terms and conditions and publicising these was a challenge. Hence many services like customer service were left to the banks with the expectations that competition would bring improvement in customer service.

There were presentations on the role of Banking Codes and Standards Board of India (BCSBI) as a watchdog in monitoring and ensuring that the standards adopted by banks are adhered to while delivering the services, followed by panel discussion moderated by M R Umarji, IBA chief advisor-legal on various customer services like, grievance redressal, legal perspective, and avenues for redressal.

The post lunch panel discussion was planned as a session to voice the views on behalf of consumers. This session had several well-known speakers putting forth the points of view on behalf of consumers such as problems relating to credit cards, outstation cheques, interest calculation, better customer awareness from banks, rights and responsibilities of consumers.

On behalf of CAI, a short survey of banking customers was conducted in August/September 2008 by the members of the consumer clubs in MOP Vaishnav College and ITM, a business management school in Chennai. Over 500 users were interviewed. The survey brought out that the overall satisfaction was over 94 percent.

The valedictory session was chaired by K Rajaraman, IAS, commissioner of civil supplies and consumer protection in Tamil Nadu, who spoke about the importance of consumer protection, the steps taken by the government and the options available to consumers for redressal of their complaints. Usha Thorat, deputy governor, Reserve Bank of India (RBI), delivering valedictory address, presented all the initiatives taken by the RBI to ensure that banks were more customer friendly. She stated that both banks and consumers have a role to play in making banking services efficient. This was followed by a short question and answer session from the audience.