



## 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**