

ANALYTICAL STUDY ON BANKING OMBUDSMAN FROM BANKER'S STANDPOINT

Dr (Smt) A.N. Tamragundi

Professor

P G Department of Studies in Commerce

Karnatak University,

Dharwad – 580003

Seema Badiger

Assistant Professor

Government first Grade College for Women,

K. R. Nagar, Mysore-571602

ABSTRACT: -

*In the present scenario, Banks are all set to add new frontiers by rendering quality services with the harnessed technology and globalised market to reach the pinnacle. Banks as a largest financial service provider, it would be the part and parcel of its life to outclass in its service delivery and also to receive both the positive and negative feedback. Banks, if not a good service provider, would get hindered with its progress. Nowadays, due to the diversity of population, Customers are having good education and sound knowledge about most of the aspects, and their tough competition among their counterpart are heavy, thus leading the Banks to be on par with it. If the Banks are not at the forefront in rendering quality services as per their expectations, customers would divert their mind towards other service providers, who would have great goodwill in the market. Through this study we would understand the significance of grievance redressal mechanism in Banking and the working of it towards the customers through a particular scheme provided by RBI called the **Banking Ombudsman Scheme**. The result of this study found that Banking Ombudsman verifies the matters on the viewpoint of both the Bankers and the Customers and supports the one who are on the right way adhering to the principles and procedures as per the Banking guidelines provided by RBI.*

KEYWORDS: - Banks, Banking Ombudsman, Customer, Competition, Grievances, Redressal Mechanism.

Introduction: -

Banking is an important financial service industry, and it is crucial for banks to consider customer satisfaction as part of their service. The Banking Ombudsman Scheme provides a quick and inexpensive forum for bank customers to resolve complaints about specific services provided by banks. It was enacted by the RBI under section 35A of the Banking Regulation Act 1949, and it went into force in 1995. All Scheduled Commercial Banks, Regional Rural Banks, and Scheduled Primary Co-operative Banks are covered by the Banking Ombudsman Scheme, which was updated in 2005 and brought into force in January 2006.

The Banking Ombudsman is a senior government official appointed by the RBI to address customer complaints about bank services that aren't up to par. There are 15 Banking ombudsman appointed till date and the offices are located mostly in the capitals of the state. In this study the Bankers Perspective towards grievances redressal mechanism on revised Banking Ombudsman Scheme have been studied by taking the demographic factors such as Gender, Qualification, Location and Experience.

Objectives of the Study:

- To examine the impact of Banking Ombudsman on Banking operations from Bankers perspective.

Statement of the Problem: -

As a service organisation, the complaint had kept increasing in the Banking Sector, there were many forums to solve the grievances, but since the consumer forums or the courts were hard pressed due to the vast complaints, Banking ombudsman had taken care to solve the grievances of only the Bank Customers, in consequence, this study was mainly undertaken to analyse the Banking Ombudsman from Bankers Standpont.

Hypothesis of the Study:

H₀: There is no significant differences in the Bankers perspective towards grievances redressal mechanism of Banking Ombudsman Scheme.

H₁: There is significant differences in the Bankers perspective towards grievances redressal mechanism of Banking Ombudsman Scheme.

Methodology of the Study: -

This study is mainly based on Primary data, For the purpose of the analysis relating to the Banking Ombudsman from the Banker's Perspective, The Bank employees of the Karnataka State were selected on the basis of convenient random sampling. The Sample size calculated with the help of the Yamene formula is shown below.

$$= \frac{.551,957,000}{1+.551,957,000(0.05)^2}$$

$$=399.9997$$

$$=400$$

The structured questionnaire was distributed through Google forms to more than 1400 Bank employees and among them, the filled questionnaire which were fully answered by the Bank employees were selected for the study, it included 1000 population. All the remaining unfilled questionnaire were not selected for the study.

Out of 1000 Bank employees 588 are males and 412 are females representing Public sector Banks, Private Sector Banks , foreign Banks and Regional Rural Banks.

Table 1.2 shows the sample division of Bank employees on the basis of Gender

Table 1.2

Sample Size – Bank employees

Types of Banks	Number of Banks	Gender	Total No. of respondents	Percentage of respondents
Public Sector Banks	139	Male	272	27.2
		Female	214	21.4
Private Sector Banks	72	Male	198	19.8
		Female	128	12.8
Foreign Banks	16	Male	94	9.4
		Female	49	4.9
Regional Rural Banks	11	Male	24	2.4
		Female	21	2.1
Total	238	Total	1000	100

Source: Sample Design

Collection of Secondary Data: -The secondary data is collected through the Annual reports of the Banking Ombudsman Scheme provided by RBI from the year 2006-07 till the year 2018-19, trends and progress of Banks, RBI bulletin, reputed journals, newsletters, magazines, books and through search engines. The independent sample test and ANOVA have been used to present the data.

Literature Review:-

Many authors have conducted the study about the Banking Ombudsman Scheme, the main idea what we have got through the previous study is that the Banking Ombudsman Scheme has shown a positive effect towards both the customers and the Bankers by enabling the customers to trust the institute that is the Bank.

Pramod R Botre (Oct 2018) in his article had studied about the consumer protection act and the Banking Ombudsman Scheme, he focuses on Banking sector as the most important and continuously growing sector, though it has various investments and many value added service, there are conflicts on the service providers of the Banks, some conflicts are between the Banks and the customers. To redress such issues the RBI has provided with the Banking Ombudsman Scheme for fast redressal of complaints about the Banking sector.

Suganya R Eswaran (2015) in their article had discussed about the power of Ombudsman and Ombudsman officers, profile of the complaints is discussed in detail, they found that the number of Banking transactions is growing because of inclusion, new modes of payment and settlements, they also found that if the complaints rise and becomes unresolved complaints, then there are maximum chances of shifting from one Bank to another Banks, they say that the RBI should increase the number of Ombudsman's so that all things can be done still in a better way.

Manish Chauhan (April 2011) in his article had studied about the Banking Ombudsman and felt that it would be beneficial for the customers if they are frustrated with the quality of services rendered by the Banks. He says that the best part of it is if a common man faces mental agony then he/she can claim compensation up to 1 lakh and thus many readers had felt it to be useful for them to approach the Banking Ombudsman. He finally concludes his article stating that just because the Banks are bigger in size, they cannot go beyond the guidelines and the customers have to be treated sociable.

Rajdeep Singh (June 2016) in his article have studied about the Banking Ombudsman and has opined that theirs was an enhanced need of safeguarding the interests of the Banking customers, so in order to ensure this works with high quality and proper service quality to the customers of the Bank, the Scheme had been introduced and to make it effective it was revised, he also found that the rural sector is not active like other urban and semi urban sector, major reason would be because of lack of awareness and the ability among the rural sector population to file the complaints against the Banking sector.

Shital Ganesh Kene(August 2017) in his article has opined that in todays Banking business customers are more demanding and challenging with the developed technology in the Banking industry. Due to which the Banks have major pressure to improve the quality of services as per the customers' needs and access. The RBI was working effectively towards the improvement of the quality of services of the Banks, hence introduced a Scheme to redress the grievances of Bank customers, the Scheme as a quasi-judicial authority. It is working effectively to handle the complaints

Analysis of the Study: -

Offices of Banking Ombudsman Scheme (OBOs) have their offices at 15 headquarters in the main city. The customers of the particular Bank or the branch have to provide their complaints to the respective offices where their branch is located. The office of Banking Ombudsman receives end number of complaints and from year to year the complaints had kept increasing and as of now the complaints are in the steady stage. The mean standard deviation, F-Value is calculated to study the Bankers perspective towards Grievances Redressal Mechanism as influenced by Gender, Qualification, Location and Experience.

Table 1

Shows the Mean, SD and F- Value on Gender

Gender	N	Mean	S.D	Mean Difference	t-Value	P-Value
Male	583	86.77	15.61	.11532	.114	.910
Female	412	86.66	16.06			

Source: Field Survey

Table 1 indicates the average value for the Grievances Redressal Mechanism regarding Revised Ombudsman Scheme as influenced by the Gender is 86.77 for the male and 86.66 for female, it depicts there is no much difference in the mean influencing the satisfaction on gender, while the Standard deviation is found to be 15.61 and 16.06, depicts that there is no much deviation in the satisfaction regarding the gender, the mean difference is very nearer, shows there is no difference in the average factors affected by gender.

In order to find out the significant mean differences on Bankers Satisfaction regarding Revised Ombudsman Scheme as influenced by Gender an independent sample test was calculated and the obtained t value is .114 and P-value of 0.910 indicates that there is no significant difference in the Grievances Redressal regarding the Revised Banking Ombudsman Scheme as influenced by gender hence the statistical analysis supports the null hypothesis.

Table 2
Shows the Mean, SD and F- Value on Qualification

Groups	N	Mean	S.D	F-Value	P-Value
SSLC	24	85.54	15.68	1.146	.333
PUC	24	82.70	17.91		
Graduates	243	85.09	16.53		
Post Graduates	343	86.93	15.75		
Technical	293	87.80	15.20		
M Phil	49	88.16	15.07		
Ph D	24	89.45	14.61		

Source: Field Survey

Table 2 indicates that the mean value for the Bankers Grievances redressal cell regarding revised Banking Ombudsman Scheme as influenced by qualification is in the range between 82.70 to 89.45. The standard deviation of the for Ph D is found to be 14.61 being the lowest while the highest deviation is found in PUC to be 17.91. There is highest deviation in the PUC when compared to all other variables.

In order to find out the significant mean differences of Bankers Grievances redressal cell as influenced by Qualification an ANOVA test was calculated and the obtained F value is 1.146 and P-value of 0.333 indicates that there is no significant difference in the improvement on

product and services regarding the Revised Banking Ombudsman Scheme as influenced by Qualification hence the statistical analysis supports the null hypothesis.

Table 3

Shows the Mean, SD and F- Value on Experience

Groups	N	Mean	S.D	F-Value	P-Value
0-5	438	85.74	15.93	1.327	.250
5-10	416	87.72	15.35		
10-15	48	87.58	15.48		
15-20	25	87.84	14.21		
20-25	48	83.81	19.45		
25 above	25	90.40	14.29		

Source: Field Survey

Table 3 indicates the mean value for the Bankers Grievances redressal cell regarding revised Banking Ombudsman Scheme as influenced by experience is in the range between 83.81 to 90.40. The standard deviation of the for the respondents having 15-20 years is found to be 14.21 being the lowest while the highest deviation is found in respondents having 20-25 years of experience to be 17.91.

In order to find out the significant mean differences of Bankers Grievances redressal cell as influenced by Experience an ANOVA test was calculated and the obtained F value is 1.327 and P-value of 0.250 indicates that there is no significant difference in the improvement on product and services regarding the Revised Banking Ombudsman Scheme as influenced by Experience hence the statistical analysis supports the null hypothesis

Table 4
Shows the Mean, SD and F- Value on Location

Groups	N	Mean	S.D	F-Value	P-Value
Rural	73	84.27	16.04	1.559	.198
Semi-Urban	146	85.99	16.57		
Urban	390	86.26	15.77		
Metropolitan	391	87.93	15.44		

Source: Field Survey

Table 4 indicates that the mean value for the Bankers Grievances redressal cell regarding revised Banking Ombudsman Scheme as influenced by Location is in the range between 84.26 to 87.93. The standard deviation of the for metropolitan is found to be 15.44 being the lowest while the highest deviation is found in Semi- Urban area at 16.57. There is highest deviation in the Semi- Urban when compared to all other variables.

In order to find out the significant mean differences of Bankers Grievances redressal cell as influenced by Location an ANOVA test was calculated and the obtained F value is 1.559 and P-value of 0.198 indicates that there is no significant difference in the Banks grievances redressal cell regarding the Revised Banking Ombudsman Scheme as influenced by Qualification, hence the statistical analysis supports the null hypothesis

Findings of the Study:-

- The average value for the Grievances Redressal Mechanism regarding Revised Ombudsman Scheme as influenced by the Gender is 86.77 for the male and 86.66 for female, the Standard deviation is found to be 15.61 and 16.06. the independent sample test was calculated and the obtained t value is .114 and P-value of 0.910 indicates that there is no significant difference in the Grievances Redressal regarding the Revised Banking Ombudsman Scheme as influenced by gender.
- The mean value for the Bankers Grievances redressal cell regarding revised Banking Ombudsman Scheme as influenced by qualification is in the range between 82.70 to 89.45. The standard deviation of the for Ph D is found to be 14.61 being the lowest while the highest deviation is found in PUC to be 17.91. ANOVA test was calculated and the obtained F value is 1.146 and P-value of 0.333 indicates that there is

no significant difference in the improvement on product and services as influenced by qualifications.

- The mean value for the Bankers Grievances redressal cell regarding revised Banking Ombudsman Scheme as influenced by experience is in the range between 83.81 to 90.40. The standard deviation of the for the respondents having 15-20 years is found to be 14.21 and highest being 20-25. ANOVA test was calculated and the obtained F value is 1.327 and P-value of 0.250 indicates that there is no significant difference in the improvement on product and services as influenced by experience.
- The mean value for the Banking Grievances redressal cell regarding revised Banking Ombudsman Scheme as influenced by Location is in the range between 84.26 to 87.93. The standard deviation of the for metropolitan is found to be 15.44, while the highest deviation is found in Semi- Urban area at 16.57. ANOVA test was calculated and the obtained F value is 1.559 and P-value of 0.198 indicates that there is no significant difference in the Banks grievances redressal cell as influenced by Qualification.

Conclusion:

As a Prime Service Provider, it is crucial for the Banking Industry to satisfy the Customer. With the establishment of the Banking Ombudsman Scheme, Customers of Banks now have a mechanism to rectify their concerns due to a rise in the number of complaints. The work of the Banking ombudsman has been inferred throughout this study to be successful, but it still needs to be efficient. The Banking ombudsman will only accept complaints on the numerous reasons provided by the RBI, and one must follow a set of rules and procedures to register a complaint. Customers of Banks are unable to complain as they must adhere to all the grounds of complaints provided by the RBI on Banking Ombudsman Scheme, and Bankers cannot act in accordance with their wishes. As a result, the Banking Ombudsman Scheme is recognised as a fantastic platform to address Customers' Grievances. It assists customers in having a high level of trust in the Banking Business, as well as Bankers in taking proper care of their services and work effectively. The Banking Ombudsman Scheme has made all the Banks to perform its task efficiently.

Thus from the overall analysis of the study it can be said that the Banking Ombudsman Scheme has been working on towards the betterment of the customers and thus they have handled their

grievances in such a way that the customers are quite satisfied with their services, it is making the Bankers work better and not go beyond the rules and regulations given by the RBI. Overall it helps both the customers and the Bankers to have a positive effect towards the Banking Industry.

References:

1. **Pramod R Botre (Oct 2018)**. Consumer protection act and Banking Sector: with special reference to Ombudsman Scheme, IJIF, vol 3 issue 3 pg 1-6
2. **P. Suganya R Eswaran (2015)**. Banking and Bank Ombudsman; requirement, changes, Complaint analysis and the way forward, IJMRD.2(1) Pg 528-533.
3. **Manish Chauhan**, what is Banking Ombudsman? <http://www.jagoinvestor.com/2011/04/Banking-Ombudsman.html> accessed on 13-05-2014
4. **Rajdeep Singh (June 2016)**: Performance review of Banking Ombudsman Scheme: An effective tool to empower Banks customer, International Journal of Research- Granthalaya, Vol 4, Issue 6, Pg 92-99
5. **Sheetal Ganesh Kene (August 2017)**: A Study on the Banking Ombudsman Scheme, IJRCM, International Journal of research in Commerce, Economics and Management, Vol 7, Issue 8, Pg 76-79.
6. **Annual reports** of the Banking Ombudsman Scheme from 2006-07 till 2012-13.
7. http://shodhganga.inflibnet.ac.in/bitstream/10603/11314/5/05_chapter1.pdf accessed on 23-6-2014
8. <http://www.rbi.org.in/scripts/FAQView.aspx?Id=24> accessed on 23-6-2014