भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026

In exercise of the powers conferred by Section 35A of Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

These Directions are issued with a view to strengthen the Internal Grievance Redress mechanism within a bank and ensure a speedy and meaningful resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the bank.

Chapter I
Preliminary

1. Short Title and Commencement

(1) These Directions shall be called the Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026.

(2) These Directions shall come into force with immediate effect except clause 7(2), 14(2) and 14(4) which shall be complied with, latest by June 30, 2026.

2. Suspension

(1) The Reserve Bank, if it is satisfied that it is expedient so to do, may, by an order, suspend for such period as may be specified in the order, the operation of any or all of the provisions of these Directions, either generally or in relation to any specified regulated entity.

(2) The Reserve Bank may by an order, extend from time to time, the period of any suspension ordered as aforesaid by such period, as it may deem fit.

3. Applicability

(1) These Directions shall be applicable to Commercial Banks (hereinafter collectively referred to as 'banks' and individually as a 'bank') having 10 or more banking outlets in India as on March 31, 2025, whether such bank is incorporated in India or outside India.

For the purpose of these Directions, 'Commercial Banks' mean banking companies (other than Small Finance Banks, Payment Banks, and Local Area Banks), corresponding new banks, and the State Bank of India, as defined respectively under clauses (c), (da), and (nc) of Section 5 of the Banking Regulation Act, 1949, but does not include a bank in resolution or winding up or under directions.

(2) The directions shall also be applicable to the commercial bank, which meets the above mentioned criteria after March 31, 2025, with effect from six months from meeting the eligibility criteria.

4. Definitions

(1) In these Directions, unless the context states otherwise, the terms herein shall bear the meanings assigned to them as below:

(a) "Banking Outlet" is a fixed-point service delivery unit as defined under the Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025 issued by Reserve Bank of India, and as amended from time to time;

(b) "Competent Authority" means Whole Time Director / Executive Director-in-charge of customer service vertical of the bank;

(c) "Complaint" means a representation in writing or through other modes alleging deficiency in service on the part of the bank with or without seeking relief thereon;

(d) "Credit Information Company (CIC)" means a company as defined in the Companies Act, 2013 and has been granted a certificate of registration under sub-section (2) of section 5 of the Credit Information Companies (Regulation) Act, 2005;

(e) "Customer" means a person who uses, or is an applicant for, a service provided by the bank;

(f) "Deficiency in service" means a shortcoming or an inadequacy in any service, which the bank is required to provide statutorily or otherwise, which may or may not result in financial loss or damage to the customer;

(g) "Deputy Internal Ombudsman (Dy. IO)" means any person appointed under clause 6 of these Directions;

(h) "Financial Sector Regulatory Body" means regulatory body for financial sector entities and includes:

(i) The Reserve Bank of India established under the Reserve Bank of India Act, 1934;

(ii) The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

(iii) The Insurance Regulatory and Development Authority of India established under the Insurance Regulatory and Development Authority of India Act, 1999;

(iv) The Pension Fund Regulatory and Development Authority established under the Pension Fund Regulatory and Development Authority Act, 2013;

(i) "Internal Ombudsman (IO)" means any person appointed under clause 5 of these Directions;

(j) "Regulated Entity (RE)" means a commercial bank or payments bank or small finance bank or a non-banking financial company or a non-bank prepaid payment instrument issuer or a credit information company which are covered under the purview of the Internal Ombudsman framework, or any other entity as may be specified by the Reserve Bank from time to time.

(2) All other expressions, unless defined herein, shall have the same meaning as assigned to them under the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1934, the Payment and Settlement Systems Act, 2007, the Credit Information Companies (Regulation) Act, 2005, the Credit Information Companies Rules, 2006, the Credit Information Companies Regulations, 2006, or the Reserve Bank - Integrated Ombudsman Scheme (as amended from time to time) or regulations, directions and guidelines issued by the Reserve Bank of India.

Chapter II

Office of the Internal Ombudsman

5. Appointment of Internal Ombudsman

(1) The IO shall either be a retired or serving officer, in the rank equivalent to a General Manager in the RE of the Reserve Bank under the purview of the Internal Ombudsman framework or a Financial Sector Regulatory Body, having necessary skills and experience of minimum seven years of working in areas such as banking, non-banking finance, regulation, supervision, payment and settlement systems, credit information or consumer protection.

Provided that, if the person is a serving officer, he / she is required to relinquish the same before assuming charge as IO.

(2) The IO shall previously not have been employed, nor presently be employed, by the bank or a holding, associate or subsidiary company of the bank.

(3) The IO shall not be over 70 years of age before the completion of the tenure.

(4) A person may work as the IO in more than one RE simultaneously at the discretion of the REs concerned, subject to the approval of the Board or Customer Service Committee / Consumer Protection Committee of the Board of the appointing RE.

6. Appointment of Deputy Internal Ombudsman

(1) The Dy. IO shall either be a retired or serving officer, in the rank equivalent to a Deputy General Manager in the RE under the purview of the Internal Ombudsman framework or a Financial Sector Regulatory Body, having necessary skills and experience of minimum five years of working in areas such as banking, non-banking finance, regulation, supervision, payment and settlement systems, credit information or consumer protection.

Provided that, if the person is a serving officer, he / she is required to relinquish the same before assuming charge as Dy. IO.

(2) The Dy. IO shall previously not have been employed, nor presently be employed, by the bank or a holding, associate or subsidiary company of the bank.

(3) The Dy. IO shall not be over 70 years of age before the completion of the tenure.

(4) The Dy. IO shall not be employed in more than one RE simultaneously.

7. Number of Internal Ombudsman / Deputy Internal Ombudsman

(1) Every bank shall appoint at least one IO.

(2) The Customer Service Committee of the Board of the bank shall determine, at least once in a year, the number of IO/ Dy. IO to be appointed having due regard to volume and complexity of the complaints received, and ensuring that the IO/ Dy. IO get sufficient time to apply his/her mind on the principles of fairness, equity and natural justice while reviewing the resolution provided by the bank.

(3) While appointing additional IO / Dy. IO, the bank shall consider the need for diversity of experience of the incumbents to deal with different types of cases. In such cases, the bank may clearly define the jurisdiction of each IO / Dy. IO.

8. Tenure of Internal Ombudsman / Deputy Internal Ombudsman

(1) The appointment of the IO / Dy. IO in the bank shall be contractual.

(2) The bank shall ensure that the post of the IO does not remain vacant at any point of time. During the temporary absence of the IO, the Dy. IO may function as the IO.

(3) In a rare case where both IO/s and Dy IO/s are on leave / absent, the bank may designate its serving official equivalent to the General Manager rank as the IO for a period not exceeding one month, with the approval of the Customer Service Committee of the Board. Such official shall not have any reporting relationship with the business verticals of the bank during the period in which he/she is designated as the IO.

(4) The tenure of the IO / Dy. IO in the bank shall be a fixed term of not less than three years. However, the total tenure (including extension/reappointment, if any) of the IO / Dy. IO in the bank shall not exceed five years.

(5) To fill a vacancy, the bank shall undertake the process of fresh appointment at least three months in advance of the expiry of the tenure of the incumbent IO and ensure that there is a reasonable overlap between the time of demitting of office of the outgoing IO and the incoming IO.

(6) The IO / Dy. IO shall not be removed before the completion of his/her contracted term without the approval of the Customer Service Committee of the Board. In case a vacancy arises on account of reasons beyond the control of the bank (such

as resignation, incapacitation, illness, death, etc.), the bank shall inform Reserve Bank of India within 10 working days from the date of such vacancy and shall appoint a new IO / Dy. IO as per eligibility criteria specified under clause 5 and clause 6 of these Directions within three months from the date of vacancy.

(7) The Customer Service Committee of the Board of the bank shall determine the structure of emoluments, facilities and benefits accorded to the IO / Dy. IO, which should be appropriate keeping in view the stature and position of the IO / Dy. IO being at the apex of the grievance redress mechanism of the bank as also the need to attract experienced persons with requisite expertise. These emoluments, facilities and benefits accorded to the IO / Dy. IO, once determined, shall not be changed adversely during the tenure of the IO / Dy. IO.

9. Administrative Oversight

(1) The IO shall report to the Competent Authority, as defined under clause 4(1)(b) of the Directions, of the bank administratively, and to the Customer Service Committee of the Board of the bank functionally.

10. Secretariat of the office of Internal Ombudsman

(1) The bank shall provide such number of its officers and staff to the office of the IO as is considered necessary for the smooth functioning of the office of the IO.

(2) All other requisite office infrastructure, including information technology support shall be made available to the office of the IO to enable the IO/ Dy. IO to discharge the responsibilities effectively and efficiently.

(3) The office of the IO may preferably be placed in the Head Office or Corporate Office of the bank.

11. Internal Audit

(1) The Internal Audit Department of the bank shall conduct an audit of the implementation of these Directions on an annual basis, covering, inter-alia:

(a) The process of appointment / reappointment of the IO/Dy. IO, adequacy of the human resources and infrastructure provided to the office of the IO in relation to the volume of complaints;

(b) Implementation of auto-escalation of the partially resolved or wholly rejected complaints to the office of the IO within the timelines;

(c) Action taken by the office of the IO with regard to analysis of complaints, reports submitted to the Reserve Bank of India and the bank, raising awareness of the staff of the bank about the grievance redressal processes, and such other processes;

(d) Submission of the information related to appointment of the IO / Dy. IO and submission of periodic report on the functioning of the IO by the bank to the Reserve Bank.

(2) The scope of the internal audit shall exclude any assessment of the correctness of decisions taken by the IO / Dy. IO.

Chapter – III

Role and Responsibilities

12. Role and Responsibilities of Internal Ombudsman / Deputy Internal Ombudsman

(1) The office of the IO shall not handle complaints received directly from the complainants or members of the public. It shall deal with the complaints that have already been examined by the bank but have been partially resolved or being wholly rejected by the bank.

(2) The IO / Dy. IO shall not represent the bank in legal cases before any court or fora or authority.

(3) While the IO may decide any or all complaints, the power for the Dy. IO to decide the complaints may be defined under a policy approved by the Customer Service Committee of the Board.

(4) The IO / Dy. IO shall recommend suitable compensation to the complainant, as per the compensation prescribed by the Reserve Bank of India in its extant guidelines, if any, and as per the compensation policy of the bank, if any, in case there is no prescription from the Reserve Bank of India.

(5) The IO may recommend compensation in accordance with the Reserve Bank-Integrated Ombudsman Scheme, as amended from time to time, for any consequential loss and the loss of time, expenses incurred and harassment / mental agony suffered by the complainant, over and above the compensation recommended in clause 12(4).

(6) The office of IO shall, on a quarterly basis, analyse the pattern of all complaints received against the bank, such as product-wise, category-wise, consumer group-wise, geographical location-wise, etc., and provide inputs to the bank for policy intervention, if so warranted.

(7) The IO shall suggest means for taking actions to address the root cause of complaints of similar / repeat nature and those that require policy level changes in the bank.

(8) The IO/ Dy. IO shall have ‘read-only’ access to the Reserve Bank’s Complaint Management System to enable them to keep abreast of decisions of the RBI Ombudsman / Appellate Authority. The bank shall seek such access for the IO / Dy. IO from the Consumer Education and Protection Department of the Reserve Bank.

(9) The Dy. IO shall functionally report to the IO.

13. Board Oversight

(1) The IO shall be designated as a permanent invitee to the meetings of the Customer Service Committee of the Board. In banks having multiple IOs, a view shall be taken by the Customer Service Committee of the Board to have representation of more than one IO or having a system of rotation.

(2) The IO shall furnish periodic reports (including the analysis of complaints) on his / her activities to the Customer Service Committee of the Board, preferably at quarterly, but not less than half yearly, intervals.

(3) The decision of the IO / Dy. IO can be overruled only with the approval of the Competent Authority as defined under clause 4(1)(b) of these Directions.

(4) All such cases where the decision of the IO / Dy. IO has been overruled by the Competent Authority shall be placed before the Customer Service Committee of the Board of the bank for review.

(5) Information on the complaints resolved by the RBI Ombudsman in favour of complainant, either partially or fully, shall also be placed before the Customer Service Committee of the Board, on quarterly basis. The information shall be accompanied with an analysis of minimum top five categories of complaints along with remedial measures so as to avoid complaints of a similar nature in future.

Chapter - IV

Procedural Guidelines for Bank

14. Procedure for Complaint Redress by Internal Ombudsman / Deputy Internal Ombudsman

(1) A fully automated Complaints Management System shall be put in place by the bank and access to the System shall be provided to the IO / Dy. IO. All complaints that are partially resolved or wholly rejected by the bank's internal grievance redress mechanism shall be auto escalated to the office of the IO for review;

a) in case of complaints, for which Reserve Bank of India, National Payments Corporation of India, or card network guidelines prescribe a timeline for resolution, sufficiently in advance such that IO / Dy. IO gets at least 10 days for review of such complaints to enable final decision to be communicated to the complainants within the timelines prescribed by Reserve Bank of India, National Payments Corporation of India, or card network, as applicable;

b) in all other cases, within 20 days of receipt.

(2) The bank shall provide only three categories i.e. 'Fully Resolved', 'Partially Resolved' and 'Wholly Rejected' in its Complaint Management System for recording the decision on the complaints before escalation to the office of IO. The complaints outside the purview of the IO/ Dy. IO under the clauses 14(5)(c) to 14(5)(e) are exempted from such classification.

(3) The bank shall formulate a Standard Operating Procedure (SOP) for flow of complaints and information in a time bound manner.

(4) The bank shall ensure that a complaint is not closed by the same branch/ unit/ other touch points, whether it has been resolved (fully or partially) or rejected. A complaint which is being wholly rejected or partially resolved shall be reviewed at a fairly senior level, which the bank may decide as deemed fit, before sending it to the office of IO.

(5) The following types of complaints shall be outside the purview of these Directions and shall not be handled by the IO/ Dy. IO:

a) Complaints related to corporate frauds, misappropriation etc., on the part of the bank that do not impact the customer in any manner;

b) References in the nature of suggestions and commercial decisions of bank. However, service deficiencies in cases falling under 'commercial decisions' will be valid complaints for the office of the IO;

c) Complaints / references relating to (i) internal administration, (ii) human resources, or (iii) pay and emoluments of staff in the bank;

d) Complaints which have been decided by or are already pending in judicial / quasi-judicial fora such as Courts, Consumer Disputes Redressal Commission, Arbitration, etc.;

e) Disputes for which remedy has been provided under Section 18 of the Credit Information Companies (Regulation) Act, 2005.

The bank shall forward all rejected / partially resolved complaints under the categories (a) and (b) above to the IO / Dy. IO, who shall look for inherent deficiency in service in such cases and take a view whether any of these complaints can be exempted under (a) and / or (b) above as decided by the bank. Complaints that are outside the purview of these Directions shall be immediately returned back to the bank by the IO / Dy. IO.

(6) The IO/ Dy. IO shall examine the complaints based on records available with the bank, including any documents submitted by the complainant and comments/ clarifications furnished by the bank to the specific queries of the IO.

(7) The IO/ Dy. IO may hold meetings with the concerned functionaries of the bank and seek any additional record / document available with the bank that are necessary for examining the complaint and reviewing the decision.

(8) The IO / Dy. IO may, if they find it necessary, seek written or oral submission (including additional information and documents) from the complainant, through the secretariat.

(9) The bank shall ensure that the final decision is communicated to the complainant within a period of 30 days from the date of receipt of complaint by the bank.

(10) The IO / Dy. IO shall record a "reasoned decision" in each case.

(11) Where the IO / Dy. IO upholds the decision of the bank to reject or partially resolve the complaint, the reply to the complainant should explicitly state that the said complaint has been reviewed by the IO / Dy. IO.

(12) For complaints that are partially resolved or wholly rejected after examination by the IO / Dy. IO, the bank shall advise the complainant about the option of

approaching the RBI Ombudsman for redress (excluding complaints not covered under the Reserve Bank - Integrated Ombudsman Scheme, as amended from time to time) along with complete details of the complaint. The bank in its reply shall also mention the URL of Reserve Bank's Complaint Management System portal for online filing of customer complaints (https://cms.rbi.org.in) and the physical / email address of the Centralised Receipt and Processing Centre[1].

(13) When a complaint is escalated to the RBI Ombudsman, the decision of the IO / Dy. IO shall be mandatorily included in the information to be submitted by the bank to the RBI Ombudsman if the complaint was already reviewed by the IO / Dy. IO. In case, the complaint was not earlier reviewed by the IO / Dy. IO, the bank shall necessarily seek his/ her comments and submit the same to the RBI Ombudsman.

(14) The bank shall use the analysis of complaints handled by IO / Dy. IO in the training programmes / conferences to raise awareness about the pattern of complaints including the root causes, remedial measures, etc., among the frontline staff, in order to evolve consistency in handling of complaints. The IO / Dy. IO may also be involved in such trainings, where necessary.

(15) While assessing the performance of the IO / Dy. IO, in addition to the level of pendency and work done by the IO / Dy. IO towards developing uniformity across the bank in the redress of complaints, the Customer Service Committee of the Board shall also analyse the number of cases where there is substantive difference between the decisions of the IO / Dy. IO vis-à-vis those given by the RBI Ombudsman subsequently.

(16) The bank shall widely disseminate the guidelines / instructions regarding these Directions among the staff while communicating the appointment of IO/ Dy. IO within the organization (all branches and administrative offices).

(17) The bank shall not provide the contact details of the IO / Dy. IO in the public domain as the IO / Dy. IO shall not handle complaints received directly from the customers.

[1] Centralized Receipt and Processing Centre (CRPC) Reserve Bank of India, Central Vista, Sector 17, Chandigarh - 160 017 (email: crpc@rbi.org.in)

Chapter - V

Regulatory and Supervisory Oversight by the Reserve Bank

15. Supervisory Oversight

(1) The areas relating to customer service and customer grievance redress, as well as the implementation of these Directions, shall be a part of the supervisory review by the Department of Supervision of the Reserve Bank.

(2) Consumer Education and Protection Department of the Reserve Bank may review the cases where the decision of the IO / Dy. IO has not been accepted by the bank and the aggrieved complainant approaches the RBI Ombudsman, for assessing the effectiveness of the internal grievance redress mechanism of the bank and initiating corrective actions as it may deem fit.

16. Reporting to Reserve Bank

(1) The bank shall, within five working days of appointment of the IO or Dy. IO, furnish the details of the official so appointed to the Consumer Education and Protection Department, Central Office, Reserve Bank of India (email: iocepd@rbi.org.in) in the following format:

1.	Name of the IO / Dy. IO	
2.	Details of the last positions held/ organisation	
3.	Date of Appointment / Reappointment	
4.	Date of Birth	
5.	Term (in years)	
6.	Brief professional profile, including previous exposure to financial services highlighting those that make them eligible for appointment	
7.	Contact details (telephone, email, address)	
8.	Date of intimation to the Reserve Bank	

(2) The bank shall put in place a system of periodic reporting of information to the Consumer Education and Protection Department, Central Office, Reserve Bank of India, on a quarterly basis as per format provided in the **Annexure**. The report shall be submitted on or before the **15th day of the month** following the quarter to which it relates to.

Chapter - VI

Repeal Provisions

17. Repeal of the existing Schemes

(1) With the issue of these Directions, the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023 issued by the Reserve Bank stands repealed.

(2) All appointments / actions under the aforesaid Master Direction, prior to the coming into effect of these Directions, shall be deemed to have been made under these Directions.

(Dr. Neena Rohit Jain)
Chief General Manager

Annexure

Report on functioning of the Internal Ombudsman

Report for quarter ended:

Name of the Bank:

Part I: Information pertaining to the complaints referred to IO / Dy. IO

S.No	Particulars	Number	
1	Number of Internal Ombudsman (IO)		
2	Number of Deputy Internal Ombudsman (Dy.IO)		
3	Number of staff assigned to the office of the IO (excluding Dy.IO)		
4	Number of complaints pending at the end of previous quarter		
5	Number of complaints received during the quarter		
6	Of (4 & 5), number of complaints fully resolved		
7	Of (4 & 5), number of complaints partially resolved		
8	Of (4 & 5), number of complaints wholly rejected		
9	Number of complaints partially resolved or wholly rejected	(7)+(8)	
10	Number of complaints pending at the end of the quarter		
		IO	**Dy. IO**
11	Of (9), number of complaints referred to the IO / Dy.IO within 20 days of receipt		
12	Of (9) number of complaints referred to the IO / Dy.IO after 20 days of receipt		
13	Of (12), number of complaints referred to the IO / Dy.IO beyond 20 days due to Turnaround Time prescribed by RBI, NPCI or card networks		
14	Of (11 & 12), number of complaints where decision has been provided by IO / Dy.IO		
15	Of (14), number of complaints where IO / Dy.IO has upheld the decision of the bank		
16	Of (14), number of complaints where IO / Dy.IO has not upheld the decision of the bank		
17	Of (16), number of complaints where the decision of the IO / Dy.IO implemented by the bank		
18	Of (16), number of complaints where the decision of the IO / Dy.IO is pending for implementation		

S.No	Particulars	Number	
19	Of (16), number of complaints where the bank has disagreed with the decision of IO / Dy.IO, with the approval of the Competent Authority		
20	Number of complaints which were resolved by the RBI Ombudsman and not referred to the IO/ Dy.IO earlier		
21	Number of complaints where the decisions of the IO / Dy.IO were not upheld by the RBI Ombudsman		
22	Number of complaints in which the IO / Dy. IO sought inputs from the complainants directly for resolution of complaints		
23	Number of complaints in which the IO / Dy. IO provided compensation		

Part II: Information pertaining to Root Cause Analysis by the IO

1. Major findings from the Root Cause Analysis

2. Details of the suggestions made by the IO and accepted by the Customer Service Committee of the Board.