

# RBI SEES 387% RISE IN COMPLAINTS AGAINST NBFCS, 58% RISE AGAINST BANKS

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The number of complaints against banks and non-banking financial institutions ([NBFCs](#)) with Reserve Bank of India ([RBI](#)) is on the rise.

According to RBI's annual report on Banking Ombudsman Scheme, the number of complaints against banks rose by 58% in the financial year (FY) 2019-20. There was a total of 308,630 complaints in the FY as against 195,901 a year earlier.

Complaints against NBFCs increased by 387%. The ombudsman for NBFCs received a total of 19,432 complaints in the same FY as against 3,991 a year earlier.

Most complaints with the banking ombudsman were about digital modes of transactions, constituting 44.66% of the total complaints received. In the previous years, there were higher number of complaints about banks not adhering to the Fair Practices Code (FPC).

The bigger the bank, higher were the complaints against it. The ombudsman disposed 48,333 complaints against State Bank of India, 15,004 against HDFC Bank Limited, 11,844 against ICICI Bank Limited, 10,457 against Axis Bank Limited and 9,928 against Punjab National Bank.

"The share of total complaints received against SBI and nationalised banks have decreased from 61.90% in 2018-19 to 59.65% in 2019-20, while the share of private sector banks increased from 28.04% of the total complaints received last year to 31.96% during current year," stated the report.

With NBFCs, the higher number of complaints were about non-adherence to the FPC (36.29%), followed by non-observance of RBI's directions (18.56%).

The highest number of complaints in NBFCs were against Bajaj Finance Limited. The ombudsman received 4,979 complaints against the company of which 1,968 were maintainable. Indiabulls Consumer Finance Limited came second with 300 complaints followed by HDB Financial Services Limited (252 maintainable complaints), Tata Capital Financial Services Limited (217 maintainable complaints) and Fullerton India Credit Company Limited (235 maintainable complaints).

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