



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RPCD.No.DC.111/07.38.01-92/93

May 12, 1993

All State/Central Co-operative Banks

Dear Sir,

Customer Service

Please refer to our circular RPCD.No.BC.110/07.38.01-92/93 dated 11 May 1993 in terms of which we have advised you to implement some of the recommendations made by the Committee set up by RBI under the Chairmanship of Shri M. N. Goiporia.

2. The RBI have carefully examined the various other recommendations of the Committee and it has been decided that State/Central Co-operative Banks should speedily implement the recommendations given in the annexure.

3. A report on the progress made by your bank in implementing the recommendations may please be sent to our concerned Regional Office on a quarterly basis.

4. Please acknowledge receipt of the letter.

Yours faithfully,

Sd/-

(S.D. Kadam)
Deputy Chief Officer

Annexure

Sr. No.	Recommendation No.	Recommendations
1.	3.1	<p>Service at the counters - Business and working hours</p> <p>The employees are expected to be at their seats at the commencement of the business hours and attend to all the customers who are in the branch prior to the close of business hours. In practice, however, in many branches, banks' employees take their own time to open the counters and also do not attend to customers who are in the queue at the close of business hours. Some banks, with a view of ensuring that the service to customers is made available exactly at the commencement of the business hours, fix the working hours of staff to commence 15 minutes before the start of business hours. This arrangement can be made by all the banks at their branches in urban centres.</p>
2.	3.2	<p>There are complaints that counters are closed at the end of business hours, without disposing of customers. Banks may issue instructions that all the customers who enter banking hall before the close of business hours should be attended to.</p>
3.	3.4	<p>Uninterrupted Service</p> <p>Banks may devise appropriate procedures to ensure that no counter remains unattended during the business hours and uninterrupted service is rendered to the customers by making adequate relief arrangements as may be necessary.</p>
4.	3.5	<p>Guidance to Customers</p> <p>All branches except very small ones should have "Enquiry" or "May I help you" counters. Such counters may exclusively attend to enquiries or may be combined with other functions depending upon the requirement. As far as possible, such counters should be near the entry point to the banking hall.</p>
5.	3.13	<p>Deposit and Other Accounts - Nomination facilities</p> <p>Banks may get the account opening forms amended to incorporate a space to mention the name and address of the Nominee; statutorily prescribed nomination forms may be obtained and preserved with the account opening forms. Availability of nomination facility needs to be widely publicised by printing compatible messages on cheque books/pass books and any other literature reaching the customers.</p>
6.	3.14	<p>Nomination should be a rule (rather than an exception) and banks should endeavor to cover all accounts, existing as well as new, under nomination, exception being the ones where the customer himself would prefer not to nominate; this fact may be recorded rather than left to the conjecture of non-compliance.</p>
7.	3.15	<p>Nomination facilities are available not only for deposit accounts but also for safe custody articles and safe deposit lockers. As nomination facility for deposit accounts is more known to customers, compared to the one</p>

		available for safe custody articles and safe deposit lockers, publicising availability of the facility for these two services also may be effectively done.
8.	3.17	Savings bank passbooks/Statements of Accounts Banks may devise controls to ensure that the passbooks are updated on an ongoing basis, and complete and correct particulars are written in a legible hand.
9.	3.18	Customers also need to be educated to submit the passbooks regularly for updating. Banks may take the following steps to provide customer satisfaction in these areas : a) Customer education drives may be launched to bring home the advantages of getting the passbooks updated regularly/periodically. b) Employees may be exhorted to attach importance to this area to provide customer satisfaction, c) As a rule, passbooks may be updated immediately on submission. If updating is not possible immediately due to a large number of entries, then paper tokens be issued for collection of passbooks on the next day.
10.	3.20	Term Deposits Banks have made considerable innovations in the -area of term deposits. Various innovative schemes have been introduced to suit customer requirements. However, customer awareness of the different schemes and facilities thereunder is actually lacking, Banks should, therefore, ensure that various term deposit schemes are made known to the customers through proper publicity and advice. The customers need also be informed specifically of the provisions of monthly interest on term deposits at a discounted rate and the facility of safe custody of term deposit receipts.
11.	3.21	Term deposit application forms may be so devised as to contain a direction for disposal of deposits an maturity. In those cases where the customer does not indicate the course of action by the bank on maturity of deposits, banks may as a rule send intimation of impending due date of the deposit well in advance.
12.	3.24	Steps may be taken to ensure early communication of changes in interest rates to their various offices/branches by fastest mode of communication such as telex/ telephone/fax etc. upto the grass root level. During the intervening period, till such time the written communication of change in rate of interest is received, bank branches may accept term deposits showing provisional rate of interest. Such provisional rate of interest may be confirmed upon receipt of official communication.
13.	3.25	Advisory Services on deposit schemes There is room for providing Customer satisfaction by assisting customers in taking proper decisions for investment in various deposit schemes having regard to their particular needs and expectations. The banks should

		provide assistance/guidance to customers in the area of investment of funds in the various deposit schemes vis-a-vis the requirements of the customers.
14.	3.26	<p>Brochures/pamphlets for guidance of customers</p> <p>Banks may make available to the customers brochures/pamphlets in regional language/Hindi/English giving details of various schemes available and terms and conditions thereof. Such brochures may also contain, among others, do's and don'ts for smooth handling of day-today banking transactions, e.g. updating of passbooks. Preferably in the leaner weeks of the month, say month, say third/fourth week, advantages of maintaining joint accounts and nomination, keeping the banks with instructions for disposal on maturity, etc.</p>
15.	3.28	<p>Safe deposit lockers</p> <p>Banks should provide more and more locker facilities, especially in residential areas having regard to commercial viability.</p>
16.	3.34	<p>Bills</p> <p>While the time taken for collection of bill proceeds largely depend upon the time taken by the drawee to retire the bill, the delay can also be attributed to despatch of bills in presenting the bill to the drawee or in crediting the proceeds after the payment is made by the drawee. In such circumstances the lodger's bank should pay interest to the lodger for the delayed period at the rate of 2% p.a. above the savings bank rate. The delayed period should be reckoned after making allowance for normal transit period and a time frame of 2 days each for :</p> <ol style="list-style-type: none"> 1) Despatch of bills 2) Presentation of bills to drawees 3) Remittance of proceeds to the lodger's bank 4) Crediting the proceeds to drawer's a/c. <p>To the extent the delay is attributable to the drawee's bank, the lodger's bank may recover interest for such delay from that bank. Banks may suitably revise the format of their payment advances to incorporate the above information</p>
17.	3.36	Dishonored instruments, Banks may ensure that dishonored instrument is returned/despatched to the customer promptly without delay, in any case within 24 hours.
18.	3.38	Reimbursement of interest by paying bank While in terms of extant instructions, interest for delayed credit is to be paid and borne by the collecting bank alone. It is a fact that on many occasions delay in collection of cheques takes place due to the neglect on the part of the paying bank. It is only fair that when such delays can be attributed to the paying bank, it compensates the collecting bank by reimbursing the amount. For this purpose, delay beyond two days on the part of paying bank in despatching the proceeds to the collecting bank may be treated as delay attributable to that bank. Responsibility for payment of interest to the

		lodger of the cheque, however, should continue to remain that of the collecting bank.
19.	3.39	<p>Valuedating of Telegraphic Transfers (TTs) and Mail Transfers (MTs)</p> <p>Telegraphic Transfers (TTs) Telex/Telegraphic transfer should be paid latest on the third working day from the receipt of customers' instructions at the remitting office assuming all along, normal postal service. In the event of delayed payment not owing to the postal delay, the beneficiary should be reimbursed with loss of interest from the third day onwards. The Goiporia Committee has recommended valuedating of amounts from the third day in respect of Telegraphic Transfers issued from and payable at State Capital and area I centres (centres with population of 12,00,000 and above). For other centres including the state capitals and area 1 centres in North Eastern state and Sikkim credit should be afforded immediately on receipt of telegram or confirmation copy of the telegram whichever is earlier. In case of any delay bank should pay interest at 2% p.a. above the savings bank rate.</p>
20.	3.40	<p>Mail Transfers Banks have to afford credit of mail transfers to clients accounts within a period of 7 days (10 days in the case of North Eastern States and Sikkim) from the date of deposit of funds for M.T.s. In case of delay the banks are required to pay interest for the delayed period @ 2% p.a. above the rate applicable to savings bank accounts. The interest for delay should be automatically paid if it amounts to Rs. 5/- or more.</p>
21.	3.52	<p>Work culture, Discipline and Attitude - Identity Badges Each employee may wear on his person, identity badge with photograph and name prominently displayed on it. Subordinate staff should wear badges over the uniforms provided by the banks. Besides giving an official touch, it will create a better rapport with the customers.</p>
22.	3.53	<p>Job enrichment Much of the indifference and casual approach towards customer service can be attributed to job monotony and the work environment. In order to promote greater involvement of employees in their work and to prevent alienation, job enrichment in the form of periodic change of department and allocation of jobs carrying higher responsibilities is necessary. Elementary checking functions such as authentication of passbooks/issuance of receipts for cheques deposited for credit to the customers account etc; would not only make useful contribution towards customer service but also would give a boost to the morale and self-image employees.</p>
23.	3.54	<p>Training It is essential to align the training programmes to the needs in various areas with an eye on customer service. The employees should be trained to develop the right kind of aptitude towards customer service, and sympathy towards customer needs and expectations, Training programmes may be so devised as to bring about positive attitudinal changes compatible to</p>

		customer orientation.
24.	3.55	Induction training to new recruits should be a precursor to other follow up training programmes. All new recruits i.e.; clerks/officers should be necessarily exposed to induction programme immediately after recruitment. A co-ordinated approach amongst banks is required in this regard.
25.	3.60	Reward and recognition Good work must be rewarded. The system of reward/recognition should be such that it puts an indifferent employee to a considerable disadvantage- psychologically, and even financially. Only if the reward scheme is objectively enunciated will employees be motivated to perform better. Indifferent and casual approach to work (customer service) should not go unnoticed, giving such employees wrong signals. It is but proper that disservice to customers is treated as delinquency. Banks should evolve a fair system whereby employees are gauged or rated in the area of customer service and good work is rewarded. Any system that is evolved should necessarily be objective and no room should be left to subjectivity of any kind. Any reward/recognition scheme of incentive will need to be tailored, with an eye on the ultimate goal of customer service.
26.	3.65	Systems and procedures Systems and procedures are necessary to assist banks in functioning in an effective and efficient manner and to ensure safety of customers money. Banks may keep their system and procedures in trim, by a continuous process of introduction of new procedures that may be required and by doing away with unwanted ones
27.	3.66	Customer service audit Various facets of service to the customers need review and introduction of more avenues has to be identified. Banks may subject themselves to an audit approach towards their customer service points at grassroots levels and also at policy prescription and macro levels in the matter of extension of customer service.
28.	3.67	In addition to Complaint-cum-Suggestion Box, every bank branch may maintain a Complaint Book with adequate number of perforated copies in each set so designed as to instantly provide the complainant with an acknowledged copy of the complaint.
29.	3.71	Inspection/audit reports The internal inspectors/auditors including audit firms engaged for the purpose during the course of their inspection/audit of branches should examine the various customers service aspects including the efficacy of the complaints handling and grievance redressal machinery; and, based on their observations, record the improvements and deficiencies in various areas.
30.	3.76	Complaint prone employees Complaint prone employees need proper counselling. Placement of employees in customer contact slots should be on a selective basis. By

		imaginative and innovative approaches, enough number of employees can be brought up by training. Recognition and reward can act as examples in spreading customer service culture. Cases of deliberate recalcitrance and disregard of customer service spirit should be taken note of and kept in concerned employees service records apart from taking other action against such employees.
31.	3.77	Periodical visits by senior officials Senior officials while visiting the branches should also give priority to the customers service aspects. It will be of great advantage if senior official counter-checks the actual "branch atmosphere" by having in hand a report on customer service submitted by the branch.
32.	3.80	Infrastructure provision Banks may bestow attention to providing adequate space, proper furniture, drinking water facilities, clean environment, (which includes keeping the walls free of posters) etc; in their premises to enable conduct of banking transactions smoothly and more comfortably.
33.	3.86	Customer education Customer education both in regard to rights and responsibilities in dealing with banks should be viewed as a fundamental issue in any attempt to improve customer service. Customer should be made aware not only of various schemes and services offered by banks, but also about, schemes and formalities, procedures, legal requirements and limitations in the matter of providing services by the banks, through a proper mix of advertisement, literature, interfaces, seminars, etc. Banks should involve their employees in all customer education programmes.
34.	3.88	Security arrangements In view of the recent incidents involving terrorists/dacoits, banks should review and improve upon the existing security system in branches so as to instill confidence amongst the employees and the public. Regular drill/training to the security staff should be ensured.
35.	3.96	Display of time norms Time norms for specified business transactions should be displayed prominently in the banking hall so that it attracts the customers 'attention as well as that of the employees for adherence.