



भारतीय रिज़र्व बैंक

-----RESERVE BANK OF INDIA-----

[www.rbi.org.in](http://www.rbi.org.in)

EXECUTIVE DIRECTOR

**Ombudsman Scheme for Non-Banking Financial Companies, 2018**

**NOTIFICATION**

Ref. CEPD. PRS. No.4535/13.01.004/2018-19

April 26, 2019

The Reserve Bank of India (RBI) had vide [Notification Ref.CEPD.PRS.No.3590/13.01.004/2017-18 dated February 23, 2018](#), implemented the Ombudsman Scheme for Non-Banking Financial Companies (NBFCs) as defined in Section 45-I(f) of the Reserve Bank of India Act, 1934 and registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934 which are authorised to accept deposits. The Scheme was to be extended to remaining identified categories of NBFCs based on experience gained. As announced in Para 11 of the [Statement on Developmental and Regulatory Policies of the Monetary Policy Statement dated April 04, 2019](#), in partial modification of the Notification *ibid*, RBI hereby directs that the Non-banking Financial Companies, as defined in Section 45-I(f) of the Reserve Bank of India Act, 1934 and registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934 which (a) are authorised to accept deposits; (b) are Non-Deposit Taking Non-Banking Financial Companies having customer interface, with assets size of Rupees 100 crore or above, as on the date of the audited balance sheet of the previous financial year, or of any such asset size as the RBI may prescribe, will come within the ambit, and shall comply with the provisions of the [Ombudsman Scheme for Non-Banking Financial Companies, 2018](#).

2. The Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC), Core Investment Company (CIC), Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC) and an NBFC under liquidation, **are excluded** from the ambit of the Scheme.

3. The Scheme will continue to be administered from the offices of the Non-Banking Financial Companies Ombudsman in four metro centers viz. Chennai, Kolkata, Mumbai and New Delhi for handling complaints from the respective zones, so as to cover the entire country. The area of jurisdiction of these offices is indicated in '**Annex- I**' of the Scheme.

4. The extension of the Scheme to eligible Non-Deposit Accepting Non-Banking Financial Companies shall come into effect and force from April 26, 2019.

sd/-

**(Surekha Marandi)**



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RBI/2017-18/133

DNBR.PD.CC.No 091/03.10.001/2017-18

February 23, 2018

All NBFCs

Madam/ Dear Sir,

**Ombudsman Scheme for Non-Banking Financial Companies, 2018 -  
Appointment of the Nodal Officer/Principal Nodal Officer**

The Reserve Bank of India (RBI) has brought into operation today the [Ombudsman Scheme for Non-Banking Financial Companies, 2018](#) (The Scheme). The Scheme is available on the RBI website <http://www.rbi.org.in>. The Non-Banking Financial Companies (NBFCs) that are covered under the Scheme (covered NBFCs) are advised to ensure that a suitable mechanism exists for receiving and addressing complaints from their customers with specific emphasis on resolving such complaints expeditiously and in a fair manner.

2. In this connection attention is invited to para 15.3 of the Scheme in terms of which

- (i) The NBFCs covered by the Scheme shall appoint Nodal Officers (NOs) at their Head/Registered/Regional/Zonal Offices and inform all the Offices of the Ombudsman about the same.
- (ii) The NOs so appointed shall be responsible for representing the company and furnishing information to the Ombudsman in respect of complaints filed against the NBFC.
- (iii) Wherever more than one zone/region of a NBFC is falling within the jurisdiction of an Ombudsman, one of the NOs shall be designated as the 'Principal Nodal Officer' (PNO) for such zones or regions.

3. The PNO/NO shall be responsible, inter alia, for representing the covered NBFC before the Ombudsman and the Appellate Authority under the Scheme. The

PNO/NO appointed at the Head Office of the NBFC shall be responsible for coordinating and liaising with the Customer Education and Protection Department (CEPD), RBI, Central Office. Covered NBFCs are at liberty to appoint the Grievance Redressal Officer (GRO) identified by the respective NBFCs in terms of extant guidelines on Grievance Redressal Mechanism, applicable to them, as the PNO or NO, provided that the officer concerned is sufficiently senior in the organisation. Where there is more than one Nodal Officer for a zone, the PNO shall be responsible for representing the company and furnishing information to the Ombudsman in respect of complaints filed against the NBFC.

4. With a view to strengthening the Grievances Redressal System and enhancing its effectiveness, the NBFCs shall take necessary steps as outlined above. Further, the name and details of the PNO/NO at the Head Office may be forwarded to the Chief General Manager, Consumer Education and Protection Department, Reserve Bank of India, Central Office, 1st Floor, Amar Building, Sir P.M. Road, Mumbai 400 001 ([email](#)). The names and contact details of PNOs/NOs of the zones may be forwarded to the RBI Ombudsman of the concerned zone.

### **Display of Information**

5. Covered NBFCs shall display prominently, for the benefit of their customers, at their branches/ places where business is transacted, the name and contact details (Telephone/ Mobile numbers as also email addresses) of the PNOs/NOs/GROs and the name and contact details of the Ombudsman, who can be approached by the customer.

6. Covered NBFCs shall prominently display the salient features of the Scheme (in English, Hindi and Vernacular language) at all their offices and branches in such a manner that a person visiting the office or branch has easy access to the information. A template for the salient features of the Scheme to be displayed is enclosed for reference ([Appendix A](#)).

7. All the above details along with a copy of the Scheme should also be prominently displayed on the web-site of covered NBFCs.

8. The [Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#), [Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company \(Reserve Bank\) Directions, 2016](#), [Non-Banking Financial Company - Account Aggregator \(Reserve Bank\) Directions, 2016](#), and [Non-Banking Financial Company – P2P \(Reserve Bank\) Directions, 2017](#) have been updated with the instructions contained hereinabove.

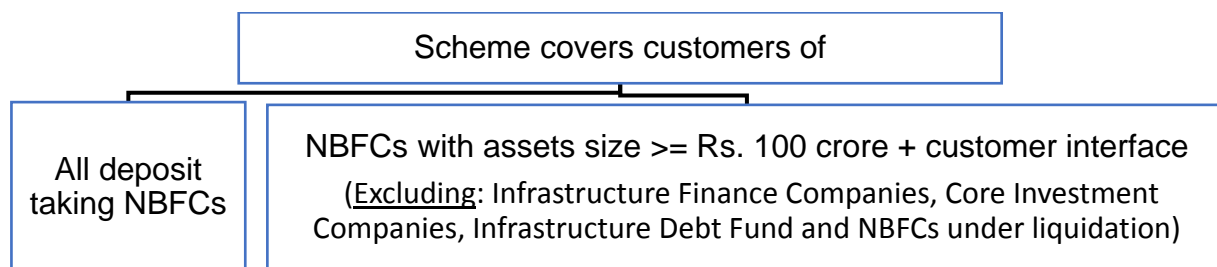
Yours faithfully,

(C.D.Srinivasan)

Chief General Manager

Encl: As above

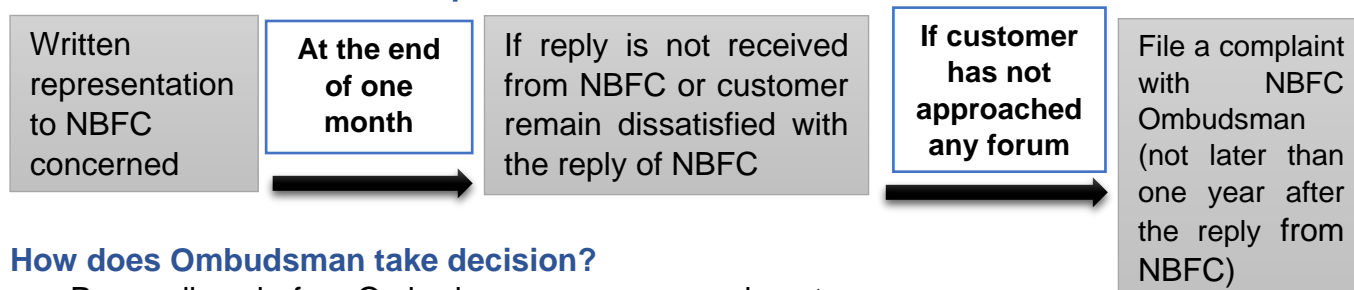
**Ombudsman Scheme for Non-Banking Financial Companies, 2018 :  
Salient Features**



**Grounds for filing a complaint by a customer:**

- Interest/Deposit not paid OR paid with delay
- Cheque not presented OR done with delay
- Not conveyed the amount of loan sanctioned, terms & conditions, annualised rate of interest, etc.
- Notice not provided for changes in agreement, levy of charges
- Failure to ensure transparency in contract/loan agreement
- Failure/ Delay in releasing securities/ documents
- Failure to provide legally enforceable built-in repossession in contract/ loan agreement
- RBI directives not followed by NBFC
- Guidelines on Fair Practices Code not followed

**How can a customer file complaint?**



**How does Ombudsman take decision?**

- Proceedings before Ombudsman are summary in nature
- Promotes settlement through conciliation → If not reached, can issue Award/Order

**Can a customer appeal, if not satisfied with decision of Ombudsman?**

**Yes,** If Ombudsman's decision is appealable → Appellate Authority: Deputy Governor, RBI

**Note:**

- This is an Alternate Dispute Resolution mechanism
- Customer is at liberty to approach any other court/forum/authority for the redressal at any stage

Refer to [www.rbi.org.in](http://www.rbi.org.in) for further details of the Scheme