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Headline: Dealing with financial frauds

YOUR MONEY

Dealing with financial frauds

In many cases, banks will insist on a first information report

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Getting a bank loan or credit card, buying an insurance policy or investing in a mutual fund is very easy today, given the several points-of-sale available. These include agents, online intermediaries and the bank/ insurance company/ fund house directly. But, what happens when you have to lodge a complaint with regard to deficiency of service or mis-selling? Should you approach the agent/intermediary or the company directly? What is the time-frame for the complaint to be resolved?

In addition to complaints on deficiency, insurance complaints include fraudulent calls claiming to be representatives of the Insurance Regulatory and Development Authority of India (Irdai) and offering of policies of different insurers with various benefits.

In case of banking products, the common complaints include misbehaviour of collection agents for recovery on overdue outstanding credit cards/ loans, delay in resolving debit/credit card complaints pertaining to billing or disputed transactions, dispute/communication relating to interest rate on loans and advances, says Anand Aras, CEO, Banking Codes and Standards Board of India.

Mis-selling complaints include those saying the agent had promised a certain amount of dividend while selling the MF, but the actual payout was lower. Or the agent had not mentioned the lock-in period while selling the fund, says an official of a fund house. "These complaints are difficult to prove and don't get resolved at the level of fund house. These are the ones that reach consumer courts."

A written complaint is not mandatory and consumers can lodge complaints through phone on the toll-free numbers available on the website of the bank, insurance company or fund house. E-mail complaints are also valid. Make sure you have the acknowledgement or complaint tracking number for follow up of your complaint.

"It is not necessary for a customer to submit a written complaint. However, depending on the nature of the complaint, a customer may be asked to submit it in writing where we need to val-

idate the identity of the complainant. Complaints are also accepted from the customer's registered email id and our call centre," says Vijaya Nene, director - operations & services, PNB MetLife India. If you want to lodge a complaint in person, go to the closest branch or office of the financial institution. "Nearly all banks have a grievance redressal cell, so customers can visit their bank's branch and meet the officials to resolve the problem," says Aras. In the case of MFs, the first point of contact is the fund house's client service head, followed by the

IN 2014-15

Complaints related to unfair business practices accounted for 52% of life insurance complaints

Complaints related to policy servicing accounted for 20% of life insurance complaints

Data from Irdai, RBI

chief complaint officer.

"Simple complaints related to errors in personal details or in account statement etc get resolved in 48 hours. If it is not resolved at the fund house level, customers can use SCORE (Sebi Complaints Redressal System), where it is possible to log in and register their complaints," says an official with a mutual fund house.

Similarly, if the bank is unable to address the complaint within a month's time, the customer can file a complaint at the Office of the Ombudsman under whose jurisdiction the bank branch is located. The contact details of the Ombudsman are available on the Reserve Bank of India (RBI)'s website and the entire process is free of cost. There are also complaints categories, which can be escalated to the Banking Ombudsman.

If you are not satisfied with the decision of the BO, you can file an appeal with the appellate authority within 30 days of receiving the communication from the BO. The appellate authority is the deputy governor of RBI.

Insurance companies have a time-frame of eight weeks stipulated by the regulator, after which policyholders can approach the Insurance Ombudsman. Details of the Ombudsman are provided in policy kit, website and also mentioned in the companies' responses provided to the customer.

Given the large number of frauds being reported, especially in case of credit/debit cards, once you lodge a complaint with the bank and block your card, you must lodge a first information report with the local police station, too. In fact, banks will insist on this.