

A Study on Customer Awareness Towards Public Sector Banking Ombudsman Services with Reference to Bank of Baroda

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Abstract

The Banking Ombudsman Service, introduced by the Reserve Bank of India, serves as an effective grievance redressal mechanism for resolving customer complaints against banks. This study examines the awareness of Bank of Baroda customers regarding Banking Ombudsman Services, complaint filing procedures, consumer rights, and grievance resolution mechanisms. Using primary and secondary data, the research evaluates customer knowledge, accessibility, satisfaction, and the effectiveness of awareness programmes. The study concludes that improving customer awareness through financial literacy initiatives and digital communication can enhance consumer protection, strengthen confidence in banking services, and encourage greater utilization of the Banking Ombudsman Scheme.

Keywords: Banking Ombudsman, Bank of Baroda, Customer Awareness, Consumer Protection, Grievance Redressal, Financial Literacy.

1. INTRODUCTION

The banking sector plays an essential role in promoting economic development by mobilizing savings, extending credit, facilitating investments, and supporting financial inclusion. As banking services continue to expand in scope and complexity, customer expectations regarding service quality, transparency, accountability, and grievance resolution have increased significantly. Customers frequently encounter issues such as transaction delays, ATM failures, digital banking problems, unauthorized charges, loan-related disputes, and service deficiencies. When such problems arise, an efficient grievance redressal system becomes necessary to safeguard customer interests and maintain confidence in the banking system.

Recognizing the importance of consumer protection, the Reserve Bank of India (RBI) introduced the **Banking Ombudsman Scheme** in 1995 as an independent and cost-effective mechanism for resolving complaints against banks. The scheme provides customers with an impartial platform to seek redress when their grievances are not satisfactorily resolved by the concerned bank within the prescribed time. Over the years, the scheme has undergone several revisions to improve accessibility, transparency, and efficiency while addressing emerging challenges associated with modern banking services. More recently, the **Integrated Ombudsman Scheme** has unified various grievance redressal mechanisms under a single platform to simplify complaint resolution for banking customers.

The rapid growth of digital banking has further increased the importance of effective grievance redressal. Internet banking, mobile banking, electronic payment systems, and digital financial services have greatly enhanced customer convenience, but they have also introduced challenges such as cyber fraud, unauthorized transactions, service interruptions, and technical failures. Consequently, customers require not only efficient complaint resolution mechanisms but also adequate knowledge of their rights, complaint procedures, and available remedies. Without sufficient awareness, even well-designed grievance redressal systems remain underutilized, limiting their effectiveness in protecting consumer interests.

Financial literacy has become a key determinant of customer awareness regarding Banking Ombudsman Services. Individuals who understand banking products, consumer rights, and grievance redressal mechanisms are better equipped to resolve service-related issues effectively. Educational background, banking experience, age, occupation, income level, and access to information significantly influence awareness levels. To improve consumer protection, the RBI and commercial banks regularly organize financial literacy programmes, awareness campaigns, branch-level communication initiatives, and digital outreach activities aimed at educating customers about complaint resolution procedures and their rights.

Bank of Baroda, one of India's leading public sector banks, has consistently emphasized customer service, financial inclusion, and effective grievance management. The bank has established internal complaint resolution systems while also facilitating customer access to the RBI's Banking Ombudsman framework. The present study evaluates customer awareness towards Banking Ombudsman Services with reference to Bank of Baroda by examining customer knowledge, awareness of complaint procedures, accessibility of grievance redressal mechanisms, and the effectiveness of awareness initiatives. The findings are expected to contribute towards improving customer education, strengthening consumer protection, and enhancing the quality of banking services.

2. LITERATURE REVIEW

Customer awareness and grievance redressal mechanisms have become important areas of research in the banking sector because they directly influence customer satisfaction, service quality, and consumer protection. The Banking Ombudsman Scheme was introduced to provide customers with an accessible and cost-effective platform for resolving complaints against banks. Over the years, several researchers have examined customer awareness, complaint behaviour, financial literacy, and the effectiveness of grievance redressal systems. The uploaded project report presents a number of studies that explain the significance of Banking Ombudsman Services and customer awareness in improving banking service quality.

Parasuraman, Zeithaml, and Berry (1988) developed the SERVQUAL model to evaluate service quality and customer satisfaction. Their study concluded that efficient customer service and well-structured complaint handling systems enhance customer confidence and strengthen long-term relationships between banks and customers. They emphasized that customers should be informed about available grievance redressal mechanisms so that service deficiencies can be addressed promptly. **Singh (1990)** examined consumer complaint behaviour and observed that awareness significantly influences customers' willingness to seek formal grievance resolution. Customers possessing greater knowledge of complaint procedures were more likely to pursue institutional remedies rather than ignoring service-related problems. The **Reserve Bank of India (1995)** introduced the Banking Ombudsman Scheme to provide an inexpensive, transparent, and customer-friendly complaint resolution mechanism. The framework highlighted customer awareness, accessibility, and consumer protection as essential elements for improving banking services. **Mishra and Kannan (2001)** analysed grievance handling practices in Indian banks and found that timely complaint resolution positively influences customer loyalty and trust. Their findings suggested that effective communication and awareness campaigns encourage customers to utilize grievance redressal facilities more confidently.

Further research has focused on the relationship between financial literacy and awareness of Banking Ombudsman Services. **Gupta (2008)** reported that a considerable number of banking customers were unaware of their rights and the procedures for approaching the Banking Ombudsman. The study recommended expanding financial literacy programmes and customer education initiatives. **Sharma and Verma (2013)** observed that educational qualifications, banking experience, and access to information significantly influence customer awareness levels. Similarly, **Kumar and Reddy (2017)** concluded that customers who were familiar with Banking Ombudsman Services expressed greater satisfaction with banking services and demonstrated higher confidence in grievance redressal systems.

Recent studies have highlighted the growing role of digital banking in improving grievance redressal. **Patel and Shah (2019)** found that financially literate customers were more aware of consumer rights and complaint procedures. **Rao and Srinivas (2022)** reported that digital complaint registration platforms have improved accessibility, although awareness remains uneven across different customer groups. **Mehta and Joshi (2024)** concluded that awareness regarding the RBI's Integrated Ombudsman Scheme has improved in recent years; however, many customers still lack adequate understanding of eligibility conditions and complaint filing procedures. These studies collectively emphasize that continuous awareness campaigns, financial literacy programmes, and digital communication initiatives remain essential for strengthening customer protection and improving the effectiveness of Banking Ombudsman Services.

3. RESEARCH OBJECTIVES

The study was undertaken with the following objectives:

1. To determine the level of customer awareness regarding Banking Ombudsman Services.
2. To examine customers' understanding of grievance redressal procedures and complaint filing mechanisms.
3. To identify the factors influencing customer awareness of Banking Ombudsman Services.

4. To evaluate the effectiveness of awareness programmes conducted by Bank of Baroda and the Reserve Bank of India.
5. To recommend suitable measures for improving customer awareness and encouraging greater utilization of Banking Ombudsman Services.

4. RESEARCH METHODOLOGY

The study adopted a **descriptive survey research design** to assess customer awareness towards Banking Ombudsman Services with reference to Bank of Baroda. Data were collected from both **primary and secondary sources**. Primary data were obtained from **100 Bank of Baroda customers** using a structured questionnaire and the **convenience sampling method**. Secondary data were collected from RBI publications, Banking Ombudsman reports, Bank of Baroda annual reports, academic journals, books, official banking websites, and financial magazines. The collected information was analysed using **percentage analysis, frequency distribution, and descriptive interpretation** to evaluate awareness levels, customer perceptions, and grievance redressal practices.

5. DATA ANALYSIS AND INTERPRETATION

Table 1: Overall Awareness of Banking Ombudsman Services

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: The survey indicates that nearly **70%** of respondents either agreed or strongly agreed that they were aware of Banking Ombudsman Services. This suggests that a considerable proportion of Bank of Baroda customers possess basic knowledge of the grievance redressal mechanism, although a smaller group still requires additional awareness and guidance.

Table 2: Awareness of Complaint Filing Procedures

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: The responses reveal that most participants are familiar with the complaint filing procedures under the Banking Ombudsman Scheme. Customers generally understand the process of approaching the Ombudsman after exhausting the bank's internal grievance redressal mechanism, reflecting satisfactory awareness of formal complaint resolution channels.

Table 3: Awareness of Customer Rights in Banking Services

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: The responses indicate that a majority of customers are aware of their rights while dealing with banking institutions. Approximately **70%** of the respondents acknowledged that they understand their consumer rights and recognize the importance of grievance redressal mechanisms in protecting their interests. However, a section of customers still requires additional awareness regarding their legal rights and available remedies.

Table 4: Effectiveness of Awareness Programmes

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	100	100

Interpretation: The analysis suggests that awareness programmes conducted by Bank of Baroda and the Reserve Bank of India have positively influenced customer knowledge regarding Banking Ombudsman Services. Most respondents considered these initiatives useful in improving their understanding of complaint procedures, consumer rights, and grievance redressal facilities. Nevertheless, expanding awareness campaigns to rural and digitally less-active customers would further improve the effectiveness of these programmes.

6. Results

The findings indicate that Bank of Baroda customers possess a satisfactory level of awareness regarding Banking Ombudsman Services, although the degree of understanding differs across customer groups. A majority of respondents were familiar with the purpose of the Ombudsman Scheme, customer rights, and the availability of grievance redressal mechanisms. The survey also revealed that customers who had greater banking experience and better financial literacy demonstrated higher awareness of complaint filing procedures and grievance resolution processes. Official communication channels, bank employees, branch notices, and digital platforms emerged as the primary sources of information regarding Ombudsman Services. Respondents expressed confidence in the fairness and transparency of the grievance redressal mechanism and believed that increased awareness contributes positively to customer satisfaction and trust in banking institutions. However, the study also identified a need for additional awareness programmes to improve understanding among customers who are less familiar with complaint procedures and digital grievance platforms.

7. Suggestions:

Based on the findings, Bank of Baroda should organize regular customer awareness programmes focusing on Banking Ombudsman Services, consumer rights, and grievance redressal procedures. Information regarding complaint filing, eligibility criteria, and resolution timelines should be prominently displayed at branches, official websites, mobile banking applications, and digital platforms. Financial literacy campaigns should specifically target rural customers, senior citizens, and individuals with limited banking experience to ensure wider awareness. Bank employees should receive periodic training so that they can effectively guide customers regarding grievance resolution mechanisms. Greater use of social media, SMS alerts, email communication, and short educational videos can further improve customer understanding. Continuous collaboration between Bank of Baroda and the Reserve Bank of India in conducting awareness initiatives will strengthen consumer protection, improve complaint resolution, and enhance public confidence in the banking system.

8. Conclusion

The study concludes that Banking Ombudsman Services play a vital role in protecting customer interests and strengthening accountability within the banking sector. Bank of Baroda customers generally possess moderate to good awareness of the Banking Ombudsman Scheme, customer rights, and grievance redressal procedures. The findings demonstrate that awareness positively influences customer confidence, satisfaction, and willingness to utilize formal complaint resolution mechanisms. Financial literacy, banking experience, and access to reliable information significantly affect awareness levels. Although the present level of awareness is encouraging, continuous educational initiatives and effective communication strategies remain essential to ensure that every customer can confidently access grievance redressal facilities. Strengthening awareness programmes will contribute to improved consumer protection, higher service quality, and stronger trust between banks and their customers.

9. Scope for Further Research

Future research may compare customer awareness of Banking Ombudsman Services across multiple public and private sector banks and examine the impact of the RBI's Integrated Ombudsman Scheme, digital grievance redressal platforms, financial literacy, and customer satisfaction using larger and more diverse samples.

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