

# A study on awareness of Bank Customer Grievance Redressal Mechanism with special reference to academicians in Kerala

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## ABSTRACT

Customer complaints are part of every business organisation. Prompt and efficient service is essential not only to attract new customers but also to retain existing one. In the case of banks also, customers will be dissatisfied if they are not getting good service. Kerala is one of the state where educational level is good. Academicians in different points plays vital role to educate people. This study is aims to analyse the awareness level of academicians in Kerala especially in Ernakulam District. 50 academicians are selected as samples from various parts of Ernakulam District and data collected from them by using convenience sampling. Chi-Square test is used to analyse the date. Many of the respondents are aware about the customer grievance redressal mechanism but they are not used it in higher level. Almost all the complaints got resolved at branch level or customers were ready to compromise.

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## 1. Introduction

Customer satisfaction through effective service is an important factor for continuous business growth and every bank want to ensure that their customers are satisfied. Satisfaction here means better service and speedy solution for complaints, if any. Academicians are the people who are educating people in all dimensions. But some of them are not good enough to handle problems associate with their bank transactions. They are also not aware about the grievance redressal mechanism to get solution to the problems they faced with their bank. This study is focusing on the awareness level of academicians in Kerala about customer grievance redressal mechanism in banks by selecting Ernakulam District as a sample.

## 2. Statement of the Problem

One of the way how everyone can acquire knowledge is education. Education envisages the career growth of every individual in the modern economy. Up gradation of education with the changing scenario is necessary and that is the main reason behind the curriculum revision timely by concerned authorities. It is a common idiom that academicians are well equipped with the changes happened in the field of education and pupil get knowledge with the support of them. Almost all the academicians have bank account and they are regularly having transactions with the banks. It is a general phenomenon that some of them are not fully satisfied with their banks. They will have face many problems and raise the complaints and shared this issue with their colleagues and friends. But many of the academicians are unaware about the grievance redressal mechanism in banks like registering complaints with the branch, head office, Banking Ombudsman, etc.

Whenever a layman have the same issue they will approach the academicians to get directions to solve the problem. But if the academicians are unaware it will be a

negative marking on them. Therefore this study is aimed to assess the awareness level of academicians about customer grievance redressal mechanism in Kerala by selecting 50 samples from Ernakulam District, Kerala.

## 3. Review of Literature

**Ganapathi&Sreekumar (1996)** find out that complaints are more at branch level instead of higher level. Therefore a proper mechanism to ensure the effective functioning of branches are required. **Komwut (2014)** identifies there are some factors which determines the customer satisfaction and they are reasonable transaction fees, no charge for transfer of funds within the bank, etc. He also pointed out that complaints will not be raised by a satisfied customer.

**Tejinderpal (2011)** concluded his study by saying that there has been a substantial increase in the number of complaints received by the Bank Ombudsman offices, which shows the increased faith of customers in Bank Ombudsman. Among different categories of complaint, substantial increase has been noticed in case of complaints relating to credit cards and these complaints forms the major part of total number of complaints. **Swetha (2015)** identified in their study that customers have a low level of awareness about grievance redressal procedure and private sector banks have a more effective grievance redressal mechanism when compared to public sector banks. She also said that customer should educate himself regarding complaint resolution process.

**R Singh (2016)** found that there is a strong need to aware the rural population about the existence of grievance resolving mechanism and educate them about complaint filing procedure through Banking Ombudsmen Scheme.

## 4. Objective of the study

The objective of this study is to analyse the awareness level of academicians in Ernakulam District, Kerala about the bank customer grievance redressal mechanism.

**5. Research Design**

This study is descriptive nature. Therefore we analysed the factors behind the awareness level of academicians about customer grievance redressal mechanism of banks in Ernakulam District, Kerala.

**6. Sampling Design**

**Universe or Population:** Academicians in Ernakulam district, Kerala constitute universe of this study. Since the number is huge sampling method is used in this study.

**7. Sampling Technique**

**Convenience sampling**

Academicians are selected by using convenience sampling method.

**8. Sample size**

50 academicians were selected for this study

**9. Tools used for analysis**

Likert Scaling Technique is used to measure variables. Percentage analysis and Chi-Square Test are used to analyse the data.

**10. Period of the study**

Period of the study is October-November 2018

**11. Banking Ombudsman Scheme**

The Banking Ombudsman Scheme was introduced by the RBI in June 1995 under Sec. 35 A of the Banking Regulation Act 1949. The objective of this movement is to redress bank customer complaints in an effective manner. Ombudsman is a senior official appointed by RBI to perform the functions entrusted to him under this scheme. He should be a person with outstanding knowledge in the areas of law, banking, financial services and public administration. All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.

**12. Banking Ombudsman Scheme 2006**

It was re-introduced in the year 2006 to receive and deal with the public complaints against the banks of deficiencies in specified types of services. Under this scheme, the customer can give his complaint to the Branch Manager and it should be responded by the Branch Manager within 30 days, if not the customer can file the complaint with the Banking Ombudsman.

**Procedure**

One can file a complaint with the Banking Ombudsman simply by writing on a plain paper. One can also file it online or by sending an email to the Banking Ombudsman. The complaint should have the name and address of the complainant, the name and address of the branch or office of the bank against which the complaint is made, facts giving rise to the complaint supported by documents.

**13. Result & Discussion**

**Testing of Independence**

**Ho:** Two attributes, Gender wise difference and awareness of Bank Customer Grievance Redressal Mechanism are independent.

Table 1: Table showing gender wise awareness of customers about bank customer grievance redressal mechanism

Gender	Aware	Unaware
Female	28	10
Male	10	2

$$\text{Chi-Square} = \sum \frac{(O-E)^2}{E}$$

Calculated value is 0.58

Degree of freedom = (r-1) (c-1) = 1

Table value of Chi-Square for one degree of freedom at 5% level of significance is 3.84.

Since the calculated value is less than the table value we accept Ho, i.e. Gender wise difference and awareness of Bank Customer Grievance Redressal Mechanism are independent.

**Ho:** Two attributes, Gender wise difference in awareness and registration of complaints with Bank Customer Grievance Redressal Mechanism are independent.

Table 2: Table showing gender wise complaints registered by customers who are aware about bank customer grievance redressal mechanism.

Gender	Aware	Complaint registered
Female	28	15
Male	10	5

**Ho:** Two attributes, Gender wise difference and registration of complaints with Bank Customer Grievance Redressal Mechanism are independent.

$$\text{Chi-Square} = \sum \frac{(O-E)^2}{E}$$

Calculated value is 0.012

Degree of freedom = (r-1) (c-1) = 1

Table value of Chi-Square for one degree of freedom at 5% level of significance is 3.84.

Since the calculated value is less than the table value we accept Ho, i.e. Gender wise difference in awareness and registration of complaints with Bank Customer Grievance Redressal Mechanism are independent.

**14. Major area of Complaint**

This study reveals that almost all the customers have complaint in one area or in another. Major complaints are in the area of hidden charges, excess fee, Mobile banking, etc. Following are the details of major area of complaint with banker

**Table 3: Table showing area of complaint with its percentage**

Field	Number	Percentage
Hidden Charges	45	90%
Excess Fee	41	82%
Mobile Banking	18	36%

## 15. Conclusion

Academicians are playing a divinely job because they are the people who influence the public especially students community very well. Their presence & approach to common issue, their opinion towards a particular thing, etc will be noticed by everyone and the public gives due respect and value to the opinion of academicians. It is a common parlance that doubts and confusions of people will be cleared by the academicians. But they are also lagging some initiatives. Academicians in this study reveals that they have complaints in the area of hidden charges (90%), Excess fee (82%) and with mobile banking (36%). This study also find out that 76% of academicians are aware about the regulatory body or grievance redressal mechanism with respect to banks and only

52% of them are using the proper channel, i.e. registering their complaints with authority. This percentage should be improved. Many of them opined that they have complaints, they know the redressal mechanism but they are not registered their complaints. Bankers should realize this report because it is clear that all the customers are not satisfied with their banks even if the complaints are not registered. Banker should try to reduce the statistics of complaints in hidden charges, excess fee and in mobile banking. It is also advised that the charges or fees charged should be transparent and thereby customers will be aware about it.

## 16. Limitations

1. We cannot generalize the results because the study is focused on a limited area
2. This study depends on primary data. Therefore all the limitations of primary data are applicable to results.
3. Researcher has used convenience sampling to collect the data and the study has all the drawbacks of convenience sampling

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