

## DID YOU KNOW?

# How NBFC customers can get their complaints addressed

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Currently, unlike in banking and insurance, there is no ombudsman for hearing complaints of customers against the non-banking financial companies (NBFCs). So, what should customers do if they have complaints against an NBFC? While the Reserve Bank of India (RBI) has been planning to bring in an ombudsman for NBFCs, there are avenues that you can use even now to get your grievances addressed. Here is how you can file complaint against NBFCs. But first, what are NBFCs?

### WHAT IS NBFC?

According to the RBI, an NBFC is a company registered under the Companies Act, 1956, which could be engaged in the business of loans and advances, shares, stocks, bonds, debentures, securities, leasing, hire-purchase, insurance, or chit business. However, any institution whose principal business is that of agriculture, industrial activity, purchase or sale of any goods, or related to selling, buying or building immovable property;

cannot be termed an NBFC. Apart from that, any non-banking company whose principal business is of receiving deposits—in lump sum or in instalments—in any manner, will be called an NBFC.

Some prominent NBFCs in India are: Housing Development Finance Corporation, Reliance Capital, LIC Housing Finance, Rural Electrification Corporation, Cholamandalam Investment & Finance Co. Ltd, Bajaj Finance Ltd, Bharat Financial Inclusion Ltd, Equitas Holdings Ltd and Ujjivan Financial Services Ltd.

### COMPLAINT REDRESSAL

There are different types of NBFC that offer different services and products. The RBI has made it mandatory for all the NBFCs to have a grievance redressal officer, whose name and contact details have to be mandatorily displayed in the premises of the NBFCs. You can approach the grievance redressal officer of the NBFC to file a complaint.

In case you are not satisfied by the settlement offered by the grievance redressal officer, you can approach the nearest office of the RBI. Details of the respective RBI offices have to



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be mandatorily displayed in the premises of all NBFCs.

However, if your grievance is regarding a credit card operated by an NBFC, then there is small change in the process. NBFCs typically offer credits cards in association with banks, especially when the NBFC is a subsidiary of a bank.

After you approach the NBFC, and your complaint is not resolved satisfactorily within 30 days from when the complaint was lodged, you have to approach the concerned bank's 'banking ombudsman'. Contact details of banking ombudsmen can be found on the website of all banks. You can read more about the banking ombudsman here: [bit.ly/2gH68iy](http://bit.ly/2gH68iy).