

Private banks pip PSBs in complaints' growth

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In growth of complaints received, private sector banks have surpassed state-run banks. A comparison between 13 private sector banks operating in the country and 18 public sector banks reveals that private banks registered higher growth in complaints received during 2007-08 compared to public sector banks (PSBs).

In the case of private sector banks, the number of complaints received at the aggregate level showed a significant rise during 2007-08, against 2006-07. In the case of public sector banks, the number of complaints also showed a moderate rise.

DR Dogra, DMD, CARE Ratings, said, "Many private sector banks sell retail banking products mainly through direct selling agents (DSA), who often do not follow the stipulated norms for selling such products. As a result, many complaints emerge when private banks try to enforce such terms."

Major banks' customer complaints

Banks	Customers 2007-08	Complaints 2006-07	%Ch
ICICI Bank	185431	35462	422.9
Axis Bank	1720	881	95.2
HDFC Bank	513722	307538	67.0
IDBI Bank	13770	9124	50.9
PNB	20380	17988	13.3
SBI	16461	16168	1.8

Figures are in numbers

He added, "Another possible reason could be the retail growth of private sector banks during the last year which has been at a much faster rate as compared to PSBs thereby leading to more number of complaints from private banks."

An analyst from a broking firm also said, "Private sector banks are having more technological interaction to customers rather than personalised interactions like PSBs."

The total complaints of 13 private sector banks have gone up by 103.3% from 3,57,410 in

2006-07 to 7,26,617 in 2007-08. Their disposed complaints increased by 104.8% during the study period, dragging down the unresolved to total complaints ratio from 1.56% in 2006-07 to 0.54% in 2007-08. Highest increase in complaints received was witnessed in the case of Yes Bank followed by ICICI Bank and Federal Bank. The number of complaints received by Yes Bank increased from 138 during 2006-07 to a whopping 3,025 during 2007-08.

State-run banks, in contrast, appeared more concerned about complaints.