

Banks were also advised that they, as principals, are responsible for the actions of their agents and they should ensure that agents engaged for recovery of their dues should strictly adhere to the guidelines and instructions, including the *Banking Code and Standard Board of India (BCSBI) Code*, while engaged in the process of recovery of dues. Complaints received in the matter are dealt with by Banking Ombudsman as per extant instructions and as per provisions of the Banking Ombudsman Scheme, and corrective action taken in all such cases.

Further, in terms of Master Circular on Credit Card operations of Banks, RBI vide their circular dated July 1, 2011 has advised the banks as follows:

- (i) In the matter of recovery of dues, banks should ensure that they and their agents, adhere to the extant instruction on Fair Price Code for lenders, as also BCSBI's Code of Bank's Commitment to Customers. In case banks have their own code for collection of dues, they should, at the minimum, incorporate all the terms of BCSBI's Code.
- (ii) All letters issued by recovery agents must contain the name and address of a responsible senior officer of the card issuing bank whom the customer can contact at his location.
- (iii) Banks/*Non-Banking Financial Companies (NBFCs)*/their agents should not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude the privacy of the credit card holders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.

The Master Circular dated July 01, 2011 is available on website of RBI www.rbi.org.in.

As and when any such complaint is received by the Government/RBI, the matter is referred to the concerned bank for appropriate action and remedial measures.

Outsourcing of jobs by PSBS

3604. SHRI K.E. ISMAIL:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to refer to Unstarred Question Nos. 207 and 2234 answered in Rajya Sabha on 2 August, 2011 and 23 August, 2011 and state:

(a) whether it is a fact that various Public Sector Banks' (PSBs) are outsourcing majority of their works;

(b) if so, the details thereof;

(c) whether Government has any data with it regarding the number of prospecting job loses or abolition of posts; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) Reserve Bank of India (RBI) has issued Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks on 3rd November, 2006, to enable the banks to effectively manage the risks arising out of outsourcing. As per these guidelines, the banks are required to put in place a Board approved comprehensive policy detailing all relevant aspects such as the services to be outsourced, criteria for selection of such activities as well as service providers, parameters for defining material outsourcing, delegation of authority depending on risks and materiality and systems to monitor and review the operations of these activities. However, the guidelines specify that banks should not outsource core management functions including internal audit, compliance function and decision-making functions like determining compliance with Know Your Customer (KYC) norms for opening deposit accounts, according sanction for loans, management of investment portfolio etc. Further, it is entirely for the banks to take a view on the desirability of outsourcing having regard to all relevant factors, including the commercial aspects of the decision.

(c) and (d) No, Sir. Government has granted autonomy to the public sector banks in respect of human resource issues relating to them including staffing pattern, recruitment, placement, transfer, training, promotion, etc. Accordingly, the banks evaluate their manpower requirement and undertake the recruitment process in accordance with their Board approved policies.

Status of loans to farmers by PSBs in Karnataka

3605. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) the details of the loans given by the Public Sector Banks (PSBs) to small and marginal farmers of Karnataka during the last three years, year-wise and bank-wise; and