



भारतीय रिज़र्व बैंक



RESERVE BANK OF INDIA

RBI/2022-23/66

DOR.REG.No.45/19.51.052/2022-23

June 8, 2022

All Primary (Urban) Co-operative banks

Madam / Dear Sir

Section 23 of the Banking Regulation Act, 1949 – Doorstep Banking

In terms of Section 23 of the Banking Regulation Act, 1949 (AACS) Primary (Urban) Co-operative Banks (UCBs) are required to seek prior approval of the Reserve Bank for opening any new place of business including offering services at the doorstep of the customer.

2. Keeping in view the above, it has been decided to allow financially sound and well managed (FSWM) UCBs to provide Doorstep Banking Services to their customers on a voluntary basis. However, Non-FSWM UCBs would have to seek prior approval of concerned Regional Office of Department of Supervision of the Reserve Bank to provide Doorstep Banking Services.

3. Eligible UCBs may formulate a scheme for providing Doorstep Banking Services to their customers, with the approval of their Boards, in accordance with the guidelines [enclosed](#) to this letter.

4. UCBs are further advised to take into account the various risks that may arise on account of offering Doorstep Banking Services to customers either directly through own employees or through agents and take all necessary steps to manage the same.

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/13वीं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई- 400001

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

5. The operation of the scheme may also be reviewed by the Boards of UCBs on a half-yearly basis during the first year of its operation. The scheme may be reviewed thereafter on an annual basis.

Yours faithfully

(Shrimohan Yadav)
Chief General Manager

Encl: as above

Guidelines for Doorstep Banking by UCBs

1. Services to be offered

UCBs can voluntarily offer the following banking services to individual customers/ natural persons at their doorstep: -

- i. Pick up of cash against receipt;
- ii. Pick up of instruments against receipt;
- iii. Delivery of demand drafts against withdrawal from account;
- iv. Delivery of cash against withdrawal from account either against cheque received at the counter or request received through any secured convenient channel, such as phone banking, internet banking, etc;
- v. Submission of Know Your Customer (KYC) documents;
- vi. Submission of Life Certificate.

UCBs which offer services of pick-up of cash may take suitable steps to educate their employees and agents to enable them to detect forged and mutilated notes so as to avoid frauds and disputes with customers.

2. Mode of Delivery

- i. Through own employees
- ii. Through Agents

Where UCBs engage the services of Agents for delivery of services, it should be ensured that the policy approved by the Board lays down the broad principles for selection of Agents and payment of fee/commission etc. UCBs must refer to the guidelines on Managing Risks in Outsourcing of Financial Services by co-operative banks issued vide our [circular DoR.ORG.REC.27/21.04.158/2021-22 dated June 28, 2021](#) and ensure that the principles enumerated therein are complied with while offering Doorstep Banking Services.

3. Delivery process

- i. Cash collected from the customer should be acknowledged by issuing a receipt on behalf of the UCB;
- ii. Cash collected from the customer should be credited to the customer's account on the same day or next working day, depending on the time of collection;
- iii. At the time of collection of cash, the customer should be informed of the date of credit by issuing a suitable advice;
- iv. Delivery of demand draft should be done by debit to the account on the basis of requisition in writing/ cheque received and not against cash or instruments collected at the doorstep;
- v. Acknowledgment should be provided for collection of KYC documents, Life Certificate.

4. Risk Management

It may be ensured that the agreement entered into with the customer does not entail any legal or financial liability on the bank for failure to offer doorstep services under circumstances beyond its control. The services should be seen as a mere extension of banking services offered at the branch and the liability of the bank should be the same as if the transactions were conducted at the branch. The agreement should not provide any right to the customer to claim the services at his doorstep.

The UCB should provide cash limits (for collection as well as delivery) for their employees/ agents and customers, for doorstep banking. The UCB should also take all necessary steps to contain technology risk while providing these services.

5. Transparency

Charges, if any, to be levied on the customer for doorstep services should be incorporated in the policy approved by the Board and should form part of the agreement entered into with the customer. The charges should be prominently indicated on the banks' website and brochures offering doorstep services.

6. Other conditions

- i. UCBs shall ensure compliance with the [Master Direction - Know Your Customer \(KYC\) Direction, 2016](#) as updated and amended by the Reserve Bank with regard to customer identification procedures while offering doorstep services to their customers.
- ii. The services should be offered at either the residence or office of the customer as opted by the customer, the address of which should be clearly and explicitly mentioned in the agreement.
- iii. The agreement/ contract with the customer shall clearly specify that the UCB will be responsible for the acts of omission and commission of its 'agent'.
- iv. UCBs shall keep in view the restrictions imposed by Section 10 (1) (b) (ii) of the Banking Regulation Act, 1949, while making payments for the services outsourced.

7. Redressal of Grievance

- i. UCBs should constitute an appropriate Grievance Redressal Machinery internally for redressing complaints about services rendered by its employees/ agents. The name and telephone number of the designated Grievance Redressal Officer of the 'UCB' should be made available to the customers including on the UCB's website. The designated officer should ensure that genuine grievances of customers are redressed promptly.
- ii. If a customer feels that his complaint has not been satisfactorily addressed, he will have the option to approach the Office of the concerned Banking Ombudsman for redressal of grievance/s in case of (a) Scheduled Primary (Urban) Co-operative Banks and (b) Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above as on the date of the audited balance sheet of the previous financial year.