



بینکنگ محاسبہ پاکستان
Banking Mohtasib Pakistan

بینکنگ محاسبہ پاکستان
Banking Mohtasib Pakistan
Annual Report 2012

Our Aim

To resolve all disputes amicably through an informal and friendly process of reconciliation, rather than a formal adversarial procedure. We cannot take sides.

Mission Statement

As an independent statutory body established to resolve disputes between consumers and banks, it is our commitment to deliver free of cost, speedy solutions for all disputes referred to us, in a manner that is impartial, fair and Equitable to all parties.

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Core Values

We function as a closely-knit team and take collective responsibility for individual decision-making. We have full ownership of our Core Values and firmly believe that by living these values, both in our professional and personal lives, we can make a difference.

Responsive

We receive a large number of disputes daily. We use a practical and rational approach to find fair and amicable outcomes in a manner that is informal and speedy.

Compassionate

Disputes, howsoever petty, cause unnecessary pain and stress. We analyze each dispute with an open mind and if necessary listen to parties concerned, patiently and sympathetically, so as to find a practical and equitable solution.

Flexible

We believe that most disputes can be resolved in a friendly and amicable manner. We do not allow rigidity to dictate the dispute resolution process. Instead, we endeavor to create an environment where all concerned are encouraged to be reasonable and conciliatory.

Trustworthy

We treat all those we meet with respect, courtesy and compassion because only by doing so we gain their confidence and trust.

Transparent

We are neither consumer champions nor advocates. Neutrality and openness underpin our deliberations. Our service is free of charge. We respect confidentiality in all disputes and institute a process of conciliation that is acceptable to both parties. Decisions taken by us are consistent, clear and balanced so that any rational mind can appreciate the reasoning behind our findings.

Introduction

The eighth Annual Report of Banking Mohtasib Pakistan for the year ending December 31, 2012, was submitted to the Governor, State Bank of Pakistan, under Section 82G of the Banking Companies Ordinance, 1962 (hereinafter called "the BCO").

Mr. Mansur-ur-Rehman Khan completed his three-year term as Banking Mohtasib Pakistan on May 1, 2012. On March 18, 2013, Mr. Anisul Hassnain assumed charge of this office after taking the oath as Banking Mohtasib for Pakistan for the new prescribed term of four years under the Federal Ombudsmen Institutional Reforms Act, 2013.

In the absence of the Banking Mohtasib during the year 2012, it was not legally possible to hold a formal hearing of a complaint received or to pass a final order upon it. What the Secretariat of Advisors could do, however, was to investigate the complaint with the bank and the complainant and arrive at a preliminary decision subject to the approval of the Mohtasib. More often than not, the process of the enquiries resulted in the banks agreeing with our views where the complaint was well founded and in resolving it to the complainant's satisfaction. Where the concerned bank disagreed with our initial conclusions, the case was set down for hearing and disposal by the Banking Mohtasib and remained pending.

Banking Mohtasib Pakistan

Mr. Anisul Hassnain



In pursuance of Ministry of Finance (Internal Finance wing)'s Notification No.F.1(3)-BKG(R&S)/2003-167 dated March 14, 2013, Mr. Anisul Hassnain has assumed charge of the Office of Banking Mohtasib (Ombudsman) on Monday, the March 18, 2013.

Earlier, he was administered Oath of Office of the Banking Ombudsman by the President of Islamic Republic of Pakistan on March 14, 2013. Mr. Hassnain is the first Banking Mohtasib who has been administered Oath of Office under the newly promulgated Federal Ombudsmen Institutional Reforms Act, 2013.

Mr. Anisul Hassnain brings with him a rich experience of having served the Federal Government for more than 36 years in various Ministries and Departments, namely Commerce, Investment, National Harmony, Sports, Inter Provincial Coordination Divisions, and Federal Board of Revenue (FBR). His judicial experience comprises serving, among other things, as Commissioner (Appeals) and Member, Income Tax Appellate Tribunal.

Banking Mohtasib's Letter to the Governor, State Bank of Pakistan



بینک آف پاکستان
Banking Mohtasib Pakistan

Ref: BM-01-AH/2013-۲۳۱۵

April 15, 2013

Dear Mr. Yaseen Anwar SB.

I am enclosing herewith the Annual Report of Banking Mohtasib Office for the year 2012 as required under Section 82G (1) of the Banking Companies Ordinance, 1962, for your perusal and record.

I am happy to report that this is the eighth report of the Banking Mohtasib Pakistan.

The office of the Banking Mohtasib remained vacant since May 1, 2012, till March 16, this year. As I assumed the charge of the office after taking oath on March 18, 2013, a considerable number of cases were awaiting the passing of final orders for resolution, as in the absence of the Banking Mohtasib, it was not legally possible to hold formal hearings of complaints and pass final orders. My first priority is therefore to resolve the pending cases and then work with the Advisors and staff to ensure delivery of quality service with minimum resolution period, with clear and prompt communication.

We play a role in promoting consumer confidence in banking system and it is our mission to deliver free of cost and speedy solutions for all disputes referred to us in an impartial, fair, and equitable manner.

I look forward to your valuable support and guidance for an even more efficient working of this office.

With profound regards,

Yours sincerely,


(ANISUL HASSNAIN)
Banking Mohtasib Pakistan

Mr. Yaseen Anwar
Governor
State Bank of Pakistan
I. I. Chundrigar Road
Karachi-

Background and Scope

The Banking Mohtasib is an independent institution established under law (Part IV-A of the BCO) to resolve public grievances against scheduled banks and disputes between banks.

Privatization coupled with the process of liberalization in Pakistan encouraged banks to rapidly expand products and services resulting in a manifold increase in the banking population within the country. Banks adapted to the new and open environment exceptionally well and responded by upgrading and transforming service delivery capability and by offering a range of new and innovative products to the market. However, in this dynamic process, there were bound to be disagreements and differences between banks and consumers. The increasing volume of associated complaints received at the central bank of the country and the Government's desire to provide an independent complaints resolution mechanism resulted in the appointment of the Banking Mohtasib in May 2005.

A number of countries have Banking Ombudsman or a similar institution and each one has contributed to an improved and more efficient banking system.

The Banking Mohtasib's role

The Banking Mohtasib's role in the financial industry is to resolve disputes through a process, which is largely conciliatory, and where such mediation is unsuccessful, to pass a speaking order to decide the dispute after hearing the parties.

The institution provides an independent complaints resolution mechanism that is impartial and prompt.

The services performed by the Banking Mohtasib office are free of cost. As is the case in other countries, banks share the costs of the institution. In Pakistan, the proportionate cost to each bank is determined by the central bank.

Scope and jurisdiction

In terms of Part IV-A of the BCO (as amended up to June 30, 2007), the authority and power exercised by the Banking Mohtasib have been specified for private and public sector banks. In relation to all banks operating in Pakistan, the Banking Mohtasib has been empowered to entertain complaints of the following nature:

- Failure to act in accordance with banking laws and regulations including policy directives or guidelines issued by the State Bank of Pakistan from time to time
- Delays or fraud in relation to the payment or collection of cheques, drafts, or other banking instruments or transfer of funds

- Fraudulent or unauthorized withdrawals or debit entries in accounts
- Complaints from exporters or importers relating to banking services and obligations including letters of credit
- Complaints from holders of foreign currency accounts whether maintained by residents or non-residents
- Complaints relating to remittances to or from abroad
- Complaints pertaining to markup or interest rates on the ground of a violation of an agreement or of State Bank of Pakistan directives
- Complaints relating to payment of utility bills

In relation to banks in the public sector, the Banking Mohtasib is authorized to entertain complaints against such banks on the following additional grounds as well:

- Corruption or malafide practices by the bank officers
- Gross dereliction of duty in dealing with customers
- Inordinate delays in taking decisions

For this purpose, the Banking Mohtasib has been given adequate powers to call for such information as would be relevant for the disposal of complaints provided legal banking confidentiality is not infringed.

However, Banking Mohtasib cannot accept complaints relating to bank policy. Specifically, the following matters lie outside the Banking Mohtasib's authority:

- Banking Mohtasib does not have the power to direct banks to grant loans and advances.
- Banking Mohtasib has no jurisdiction to consider complaints against a Bank's loan mark-up policies, risk policies, or product and service pricing if included in schedule of charges and any other policy matter.
- Any matter that is sub-judice or has been decided upon by a court of law or by SBP is outside the purview of the Banking Mohtasib.
- Grievances of bank employees or ex employees pertaining to terms and conditions of their service fall outside the jurisdiction of the Banking Mohtasib.

[The Federal Government has made institutional reforms for standardizing and harmonizing the laws relating to Federal Ombudsmen institution, including the Banking Mohtasib Pakistan, by an Act of Parliament called the Federal Ombudsmen Institutional Reforms Act, 2013. The Act is reproduced on pages 8-14.]

The Federal Ombudsmen Institutional Reforms Act, 2013

REGISTERED No. M-302
L-7646

The Gazette of Pakistan



EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, WEDNESDAY, MARCH 20, 2013

PART I

- Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

Islamabad, the 20th March, 2013

No. F. 9(10)/2013-Legis.—The following Act of Majlis-e-Shoora (Parliament) received the assent of the President on 20th March, 2013, is hereby published for general information:—

ACT No. XIV OF 2013

An Act to make institutional reforms for standardizing and harmonizing the laws relating to Federal Ombudsmen institution and the matters ancillary or akin thereto

WHEREAS it is expedient to make institutional reforms for standardizing and harmonizing the laws relating to institution of Federal Ombudsmen and the matters ancillary or akin thereto:

AND WHEREAS, it is expedient to enhance effectiveness of the Federal Ombudsmen to provide speedy and expeditious relief to citizens by redressing their grievances to promote good governance;

AND WHEREAS, it is necessary that in order to enable the Federal Ombudsmen to perform their functions efficiently, they should enjoy administrative and financial autonomy;

(221)

[348 (2013)/Ex Gaz.]

Price : Rs. 5.00

NOW, THEREFORE, it is hereby enacted as follows:—

1. **Short title, extent and commencement.**—(1) This Act may be called the Federal Ombudsmen Institutional Reforms Act, 2013.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. **Definition.**—In this Act, unless there is anything repugnant in the subject or context,—

(a) **“Agency”** means, the Agency defined in the relevant legislation and in relation to the Establishment of the Office of Wafaqi Mohtasib (Ombudsman) Order, 1983 (P.O. No.1 of 1983) shall include an Agency in which the Federal Government has any share, or which has been licensed or registered by the Federal Government and notified by the Federal Government in the Official Gazette.

(b) **“Ombudsman”** means an Ombudsman appointed under the relevant legislation and includes the Ombudsman appointed under section 21.

(c) **“relevant legislation”** means, the Office of Wafaqi Mohtasib (Ombudsman) Order, 1983 (P.O. No.1 of 1983), the Establishment of the Office of Federal Tax Ombudsman Ordinance, 2000 (XXXV of 2000), the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000), the Banking Companies Ordinance, 1962 (LVII of 1962), and the Protection against Harassment of Women at the Workplace Act, 2010 (IV of 2010).

3. **Tenure of the Ombudsman.**—The Ombudsman shall hold office for a period of four years and shall not be eligible for any extension of tenure or re-appointment as Ombudsman under any circumstances:

Provided that the Ombudsman shall continue to hold office after expiry of his tenure till his successor enters upon the office.

4. **Acting Ombudsman.**—At any time when the office of Ombudsman is vacant or he is unable to perform his functions due to any cause the President shall appoint an Acting Ombudsman who shall perform functions and exercise powers as are vested in the Ombudsman and shall be entitled to all privileges as are admissible to Ombudsman:

Provided that till such time the Acting Ombudsman is appointed, the Wafaqi Mohtasib (Ombudsman) shall act as Ombudsman of the concerned office and in case the Wafaqi Mohtasib is absent or unable to perform functions of his office, the Federal Tax Ombudsman shall act as Wafaqi Mohtasib (Ombudsman), in addition to his own duties.

5. **Removal of Ombudsman.**—An Ombudsman may be removed from office through Supreme Judicial Council on the grounds of being incapable of properly performing duties of his office by reason of physical or mental incapacity or found to have been guilty of misconduct.

6. **Resignation.**—The Ombudsman may resign his office by writing under his hand addressed to the President.

7. **Grievance Commissioner.**—(1) The Ombudsman shall appoint or designate an officer not below BPS-21 as a Grievance Commissioner in an Agency against which a large number of complaints are received persistently.

(2) The Grievance Commissioner shall exercise the powers and perform the functions as may be specified by the Ombudsman.

8. **Oath of office.**—An Ombudsman shall take Oath before he enters upon his office in the form as prescribed in the relevant legislation and in case such form is not prescribed in the relevant legislation he shall make oath before the President before he enters upon office in the form set out in the Schedule to this Act.

9. **Expeditious disposal of complaints.**—(1) The Agency shall, if so required by the Ombudsman submit written comments in a complaint within fifteen days, and this period may be extended for a further period of seven days on a sufficient cause.

(2) The representative of the Agency shall, if so required by the Ombudsman, attend the hearing of complaint, or may request in writing for adjournment with specific reasons, such adjournment if justified shall not be allowed more than seven days.

(3) Disciplinary action shall be taken by the competent authority if there is failure in terms of sub-section (1) or sub-section (2).

(4) The Competent authority shall within fifteen days inform the Ombudsman about the action taken on his orders under sub-section (3).

(5) The Ombudsman shall dispose of the complaint within a period of sixty days.

10. **Powers of Ombudsman.**—In addition to powers exercised by Ombudsman under the relevant legislation, he shall also have following powers of a civil court, namely:—

- (i) granting temporary injunctions; and
- (ii) implementation of the recommendations, orders or decisions.

11. **Temporary Injunction.**—The Ombudsman may stay operation of the impugned order or decision for a period not exceeding sixty days.

12. **Power to punish for contempt.**—An Ombudsman shall have power to punish for contempt as provided in the Contempt of Court Ordinance, 2003 (V of 2003).

13. **Review.**—(1) The Ombudsman shall have the power to review any findings, recommendations, order or decision on a review petition made by an aggrieved party within thirty days of the findings, recommendations, order or decision.

(2) The Ombudsman shall decide the review petition within forty five days.

(3) In review, the Ombudsman may alter, modify, amend or recall the recommendation, order or decision.

14. **Representation.**—(1) Any person or party aggrieved by a decision, order, findings or recommendations of an Ombudsman may file representation to the President within thirty days of the decision, order, findings or recommendations.

(2) The operation of the impugned order, decision, findings or recommendation shall remain suspended for period of sixty days, if the representation is made as per sub-section (1).

(3) The representation shall be addressed directly to the President and not through any Ministry, Division or Department.

(4) The representation shall be processed in the office of the President by a person who had been or is qualified to be a judge of the Supreme Court or has been Wafaqi Mohtasib or Federal Tax Ombudsman.

(5) The representation shall be decided within ninety days.

15. **Personal hearing.**—It shall not be necessary for the President or the Ombudsman to give personal hearing to the parties and the matter may be decided on the basis of available record and written comments filed by the Agency.

16. **Supply of copies.**—The Ombudsman shall supply free of cost copies of the findings and recommendations to the parties within fifteen days of the decision.

17. **Administrative and financial powers of Ombudsman.**—(1) The Ombudsman shall be the Chief Executive and Principal Accounting Officer of the Office and shall enjoy complete administrative and financial autonomy.

(2) The remuneration payable to the Ombudsman and the administrative expenses of the office shall be an expenditure charged upon Federal Consolidated Fund.

(3) The Ombudsman shall have full powers to create new posts and abolish old posts, to change nomenclature and upgrade or downgrade any post provided the expenditure is met from within the allocated budget of the office of Ombudsman.

(4) The Ombudsman shall have full powers to re-appropriate funds from one head of account to another head of account and to sanction expenditure on any item from within the allocated budget.

(5) The Ombudsman may delegate any of his financial powers to a member of the staff not below BPS-21 or equivalent:

Provided that approval of the Ombudsman shall be obtained by the delegatee for exercise of powers under sub-section (3) and for re-appropriation of funds under sub-section (4), before implementation thereof.

18. **Bar of jurisdiction.**—No court or authority shall have jurisdiction to entertain a matter which falls within the Jurisdiction of an Ombudsman nor any court or authority shall assume jurisdiction in respect of any matter pending with or decided by an Ombudsman.

19. **No additional responsibility.**—Except as provided in section 4, the Ombudsman shall not—

- (a) hold any other office of profit in the service of Pakistan; or
- (b) occupy any other position carrying the right to remuneration for

rendering of services.

20. **Holding office of profit after expiry of tenure.**—The Ombudsman shall not hold any office of profit in the service of Pakistan, other than a judicial or quasi-judicial office, before the expiration of two years after he has ceased to hold office nor shall he be eligible, during the tenure of office and for a period of two years thereafter, for election as a member of Parliament or a Provincial Assembly or any local body or take part in any political activity.

21. **Miscellaneous.**—A woman, with an experience of atleast ten years in the matters relating to protection of women against harassment shall also be eligible to be appointed by the President as Ombudsman under the Protection against Harassment of Women at the Workplace Act, 2010 (IV of 2010).

22. **Power to make rules.**—The Federal Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

23. **Removal of difficulties.**—If any difficulty arises in giving effect to any provision of this Act, the President may make such Order, as may appear to him to be necessary or expedient for the purpose of removing the difficulty.

24. **Overriding effect.**—(1) The Provisions of this Act shall have effect notwithstanding anything contained in any other law for the time being in force.

(2) In case there is a conflict between the provisions of this Act and the relevant legislation, the provisions of this Act to the extent of inconsistency, shall prevail.

THE SCHEDULE

[See section 8]

I,..... do solemnly swear that I will bear true faith and allegiance to Pakistan;

That asOmbudsman, I will discharge my duties and perform my functions honestly, to the best of my ability, faithfully in accordance with the laws of the Islamic Republic of Pakistan, and without fear or favour, affection

or ill-will;

That I will not allow my personal interest to influence my official conduct or my official decisions;

And that I will not directly or indirectly communicate, or reveal to any person any matter which shall be brought under my consideration, or shall become known to me, as Ombudsman, except as may be required for the due discharge of my duties as Ombudsman.

May Allah Almighty help and guide me (Ameen).

IFTIKHAR ULLAH BABAR,
Secretary.

Administrative Expenses

Administrative expenses incurred during the year were Rs.70.643 million as compared to Rs.71.293 million during 2011. The variation in total expenses was due to the fact that the office of the Banking Mohtasib remained vacant for a period of about eight months during the year. Rent of office premises and utilities were some of the major heads of expenses.

Public Awareness

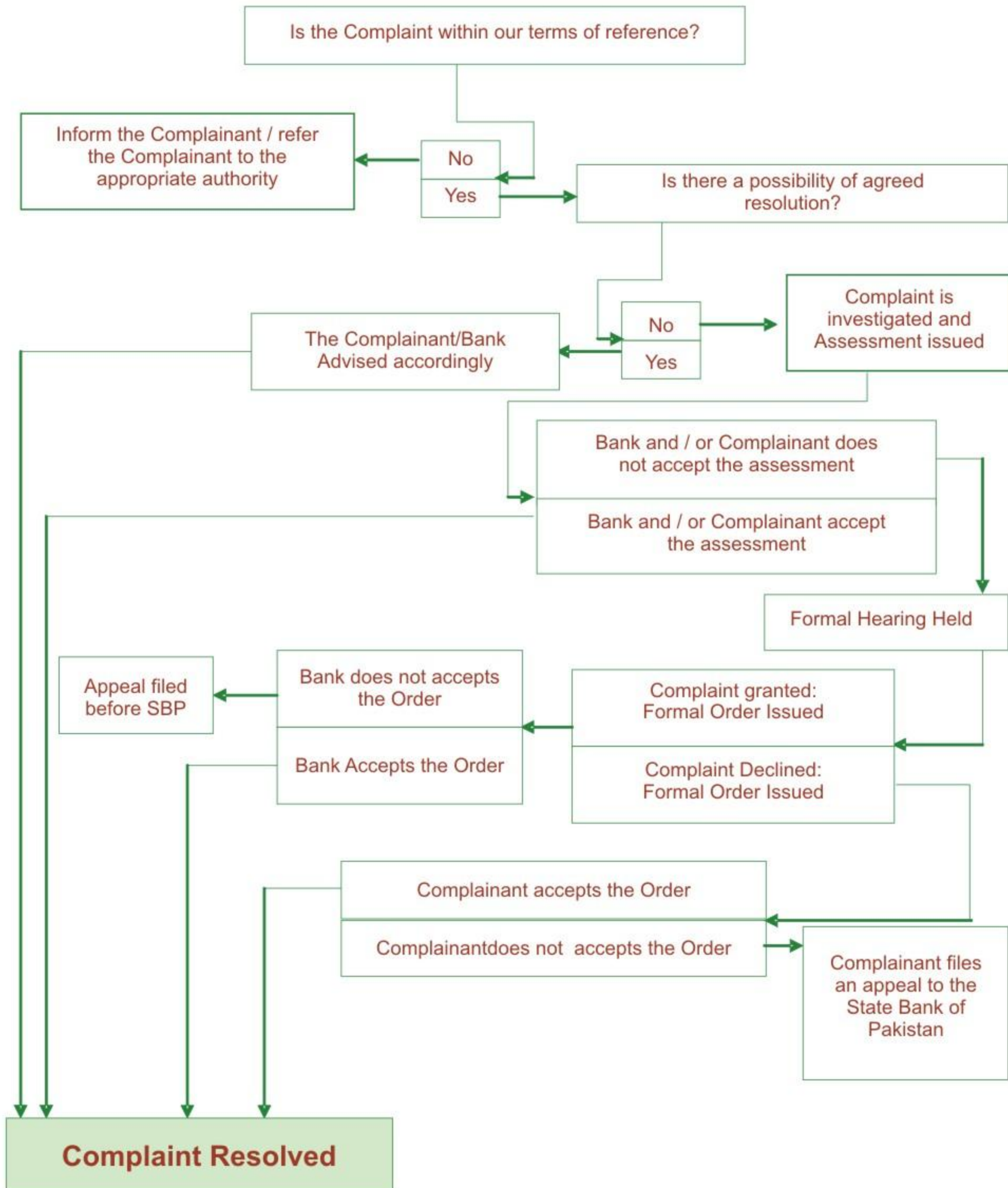
Complaint Forms, FAQ (Frequently Asked Questions) leaflets and posters titled "Banking Mohtasib and You", both in English and Urdu, are sent to branches of all commercial banks for awareness of bank customers about Banking Mohtasib's functions.

The Banking Mohtasib website is regularly updated and carries useful information regarding our scope of service, complaint procedure (with printable complaint forms), and appeal process. Law governing Banking Mohtasib (Chapter IV-A of the BCO), BMP Annual Reports, briefs on the Federal and Provincial Ombudsman in Pakistan, and useful links are also available at the website.

Process Flow for Handling Complaints

Our complaint handing process is illustrated by the flow chart given as under:

Complaint Flow Chart



Volume of Complaints

We receive two types of complaints:

a) Informal Complaints: These are complaints which have been submitted without adopting the procedure as laid down in the BCO. Upon receipt of informal complaints, procedural guidance is provided to complainants and where warranted, banks are asked to resolve the issue by conciliation. In 2012, 3026 such complaints were received out of which 2964 complaints were suitably addressed and disposed of up to December 31, 2012. This compares with 2726 informal complaints received in 2011.

Further breakup of informal complaints is given below:

> Informal services provided to walk-in complainants by our Officers	508
> Complaints made in writing but without completing the prescribed mandatory legal requirements	1,853
> Complaints received via email	665
<u>Total informal complaints</u>	<u>3,026</u>

The monthly average of informal complaints received during 2012 is 252, which reflects 11% increase over the monthly average of 227 such complaints received during 2011.

b) Formal Complaints: These are complaints that are submitted in writing and in accordance with the procedure prescribed in Chapter IV-A of the BCO (that is, on the prescribed complaint form, duly attested by an Oath Commissioner, and after a notice has already been served upon the bank). If an informal complaint is not resolved amicably by conciliation, the law requires that a formal complaint must be made in writing in the manner prescribed by it.

Formal complaints received during the period were 972, showing a monthly average of 81 and reflecting an 8.5% increase over a total of 896 formal complaints in 2011 with a monthly average of 75.

Given below is a yearly comparison of formal and informal complaints received, starting from 2005, the year the Banking Mohtasib Pakistan office (BMP) started functioning:

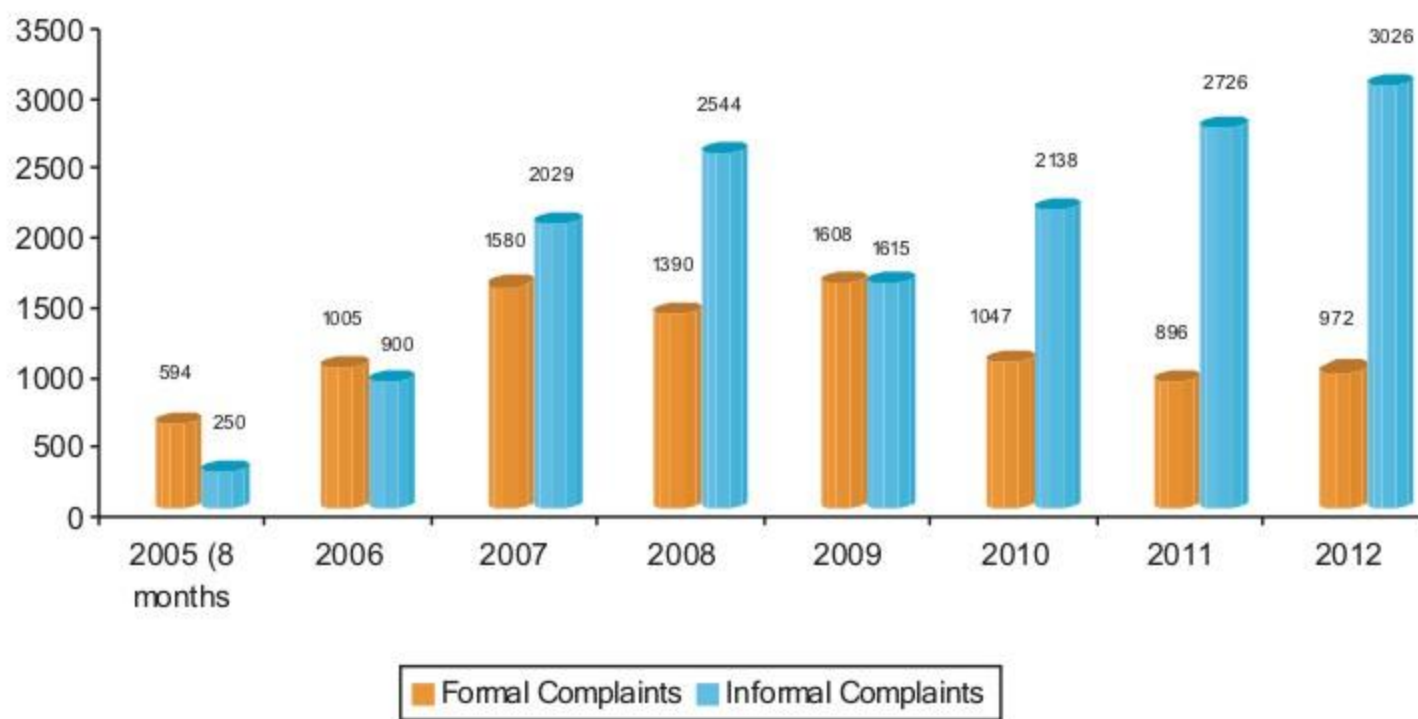
Year	Formal Complaints	Informal Complaints	Total
2005 *	594	250	844
2006	1,005	900	1,905
2007	1,580	2,029	3,609
2008	1,390	2,544	3,934
2009	1,608	1,615	3,223
2010	1,047	2,138	3,185
2011	896	2,726	3,622
2012	972	3,026	3,998
Total	9,092	15,228	24,320

* from May 2' 2005

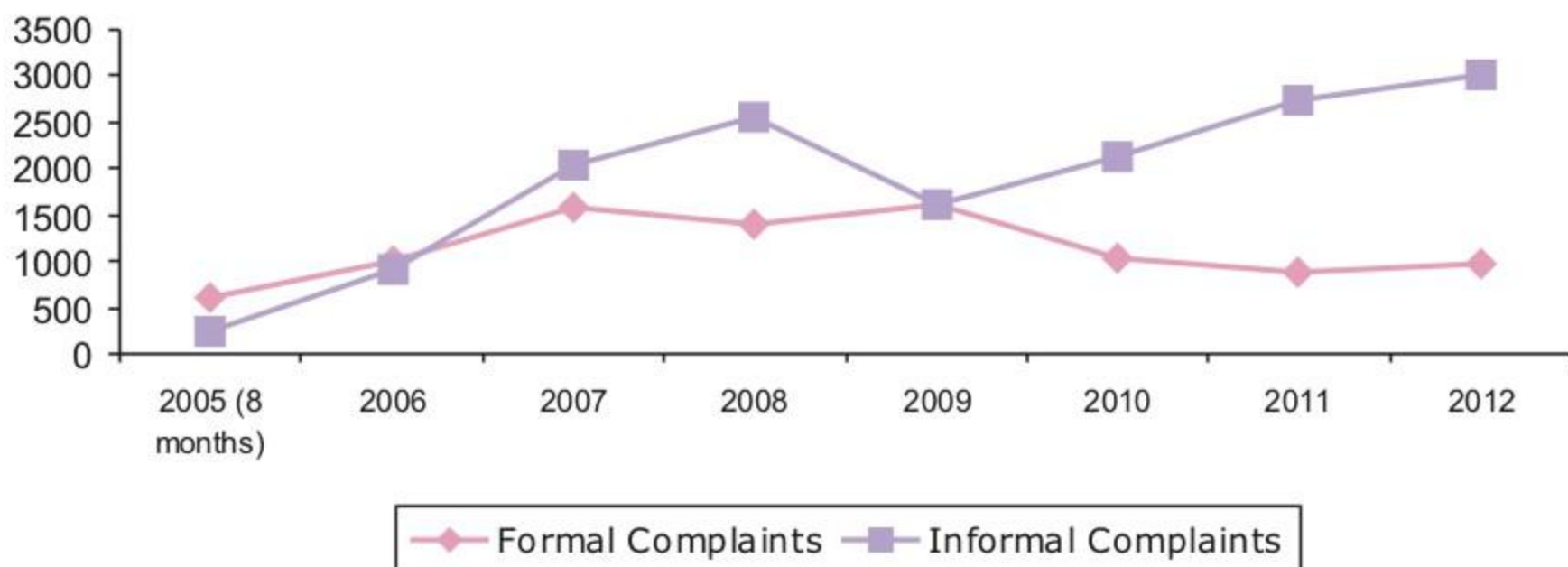
The combined total of formal and informal complaints comes to 3998 in 2012 and shows an overall increase of 10.4% over a total of 3622 complaints in 2011. The rise in total complaints is largely due to the increase in informal complaints, owing to our initiative of providing an informal reconciliatory resolution to an increasing number of complaints at the initial stage, wherever possible.

The annual traffic of formal and informal complaints of the Banking Mohtasib function since its inception is illustrated below with the help of a bar chart and a trend line chart:

Annual Traffic of Complaints at the BMP



Annual Traffic of Complaints at the BMP

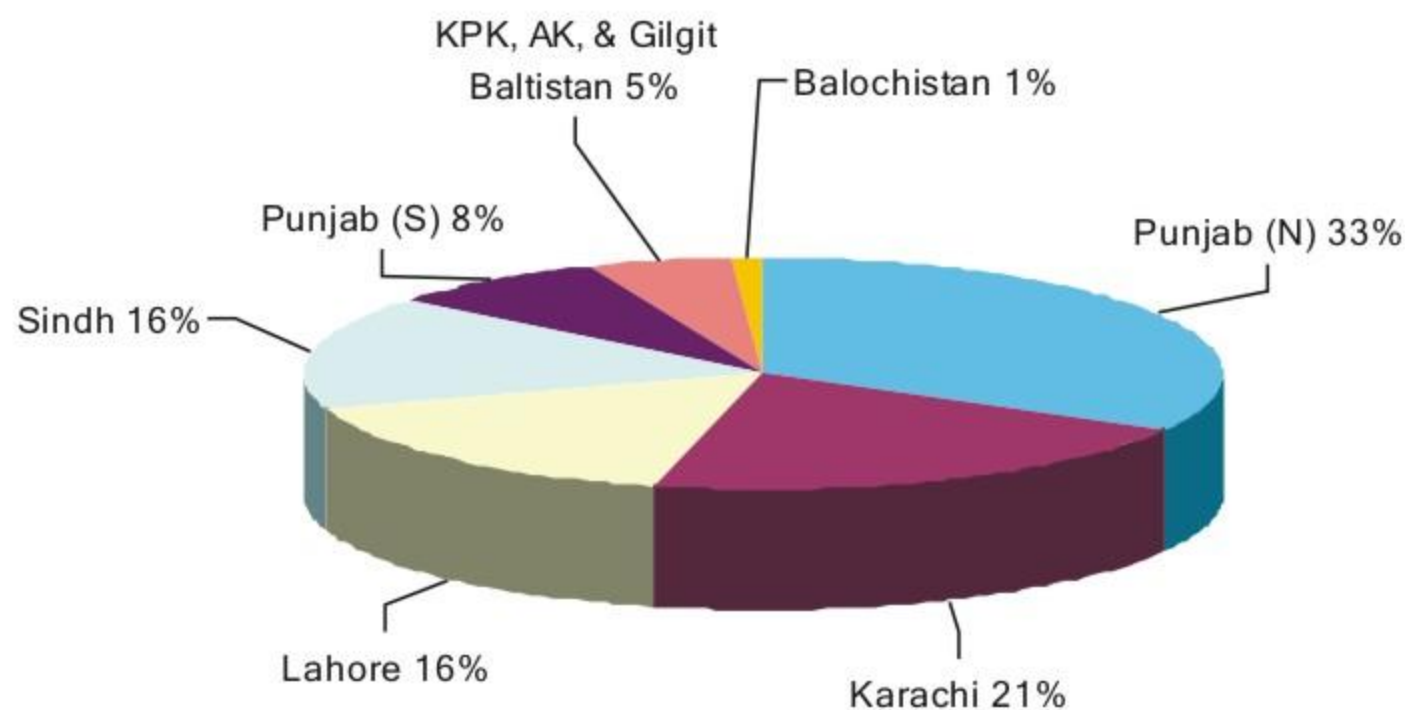


Breakup of formal complaints by regions

Banking Mohtasib Pakistan Secretariat receives complaints against banks located all over Pakistan. The table given below shows a region-wise breakup of formal complaints while the pie chart compares the percentage of complaints received by the regions:

Region	Complaints	%
Punjab (North)	317	33
Karachi	206	21
Lahore	155	16
Sindh (other than Karachi)	154	16
Punjab (South)	79	8
Khyber Pakhtunkhwa, Azad Kashmir, & Gilgit Baltistan	48	5
Baluchistan	13	1
Total	972	100

Formal Complaints: Region-wise



The resolution process

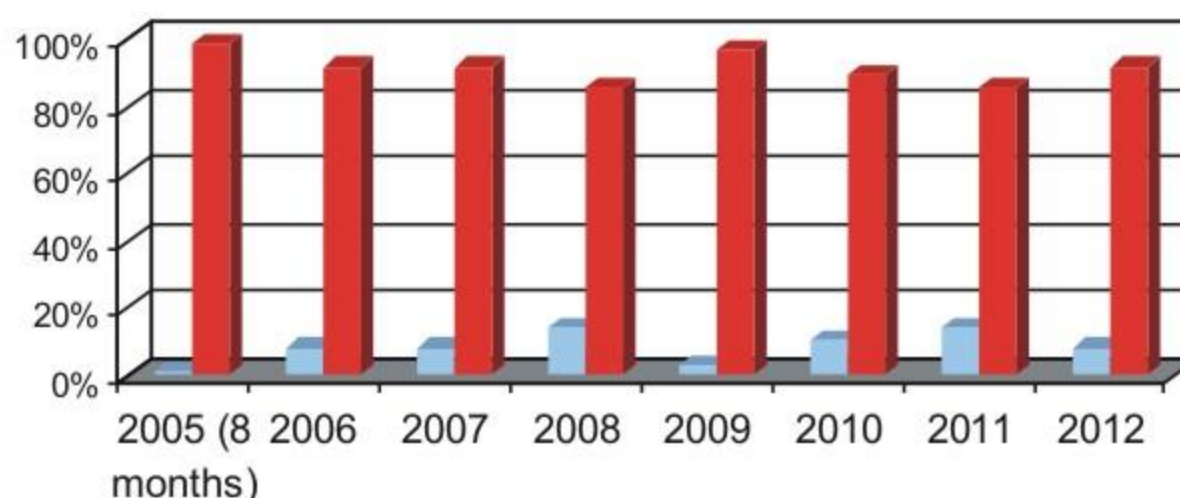
The table given below gives a yearly comparison of total number of complaints resolved at BMP, complaints resolved through reconciliation, and orders passed for resolution since the inception of BMP:

Year	Total Complaints Resolved	Amicably Resolved through Reconciliation	Orders Passed
2005 (8 months)	225	223	2
2006	665	613	52
2007	772	709	63
2008	337	290	47
2009	1,776	1,714	62
2010	916	822	94
2011	823	684	139
2012	327	301	26
Total	5,841	5,356	485

The following table and graphic illustration depict the yearly comparison in percentage of total cases decided through formal hearings and cases resolved through reconciliation process against total cases resolved:

Years	2005 (8 months)	2006	2007	2008	2009	2010	2011	2012
Cases decided through formal hearing	1%	8%	8%	14%	3%	10%	14%	8%
Cases resolved through process of reconciliation	99%	92%	92%	86%	97%	90%	86%	92%

Cases Decided through Formal Hearings & Reconciliation: A Comparison



■ Cases decided through formal hearing ■ Cases resolved through process of reconciliation

Summary: Complaint flow in 2012

As on January 1, 2012, there were 99 unresolved formal complaints. 972 new complaints (formal) were received during the year, out of which 301 were resolved amicably through reconciliation while orders were passed in 26 cases. 14 complaints were rejected either for not fulfilling the required mandatory legal process or rejected for not falling within our jurisdiction. Thus, 730 formal complaints were outstanding as on December 31, 2012. The position is summarized as under:

Complaints on Hand as on January 1, 2012	99
New Complaints received	972
Total	<u>1071</u>
Orders issued	26
Amicably resolved through reconciliation	301
Complaints rejected	14
Total	<u>341</u>
Complaints on Hand as on December 31, 2012	<u>730</u>

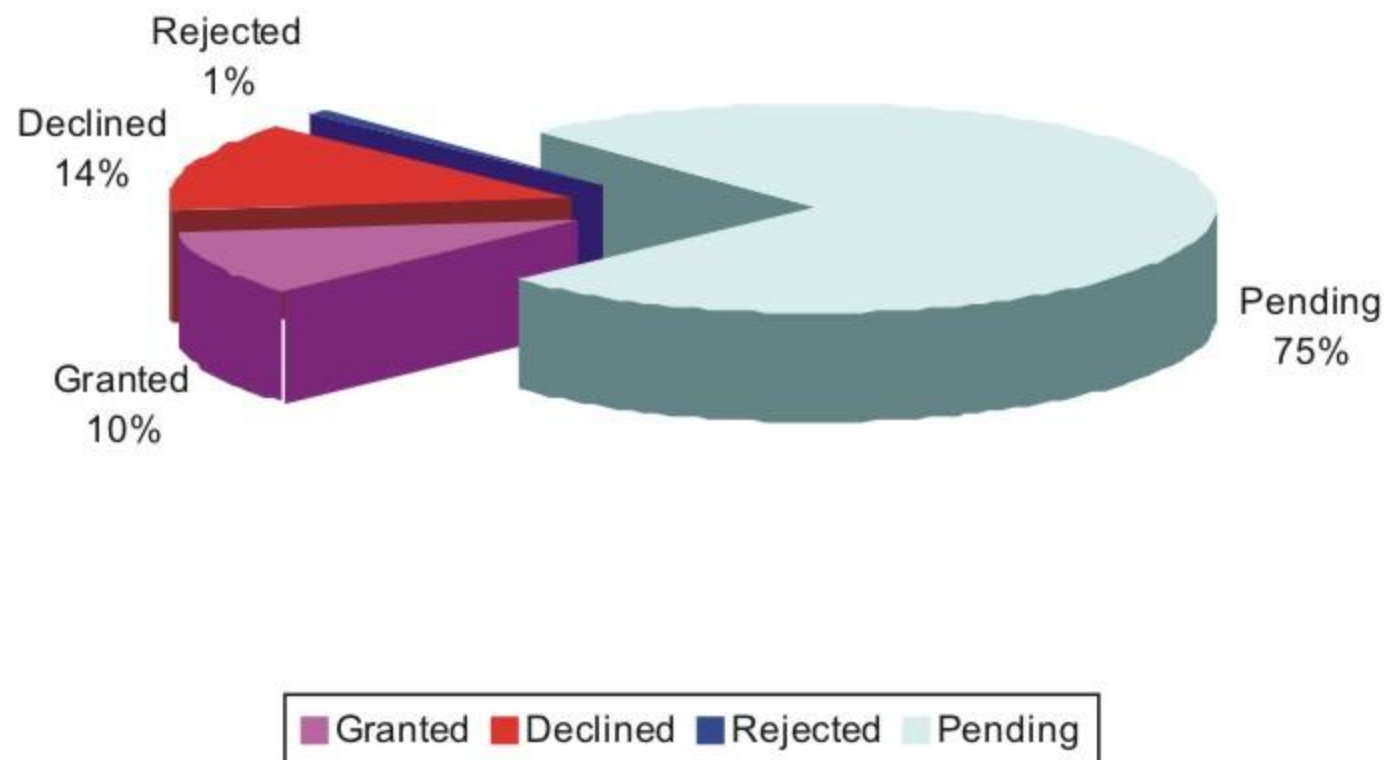
Disposal of Complaints

The table given below compares disposal of total formal complaints received in 2011 and 2012, and is followed by a pie chart showing the disposal status of the 972 formal complaints received during the year 2012:

Disposal Status of Complaints in 2011 and 2012

Status	2012	%	2011	%
Granted	98	10	383	43
Declined	135	14	337	38
Rejected	14	1	77	8
Pending	725	75	99	11
Total	972	100	896	100

Disposal status: Formal Complaints Received in 2012



From the above table and chart, it can be seen that out of total 972 formal complaints received in the year 2012, 725 complaints remain pending. As stated earlier, in the absence of the Banking Mohtasib whose term expired on May 1, 2012, it was not legally possible to hold a formal hearing of a complaint or to pass a final order upon it.

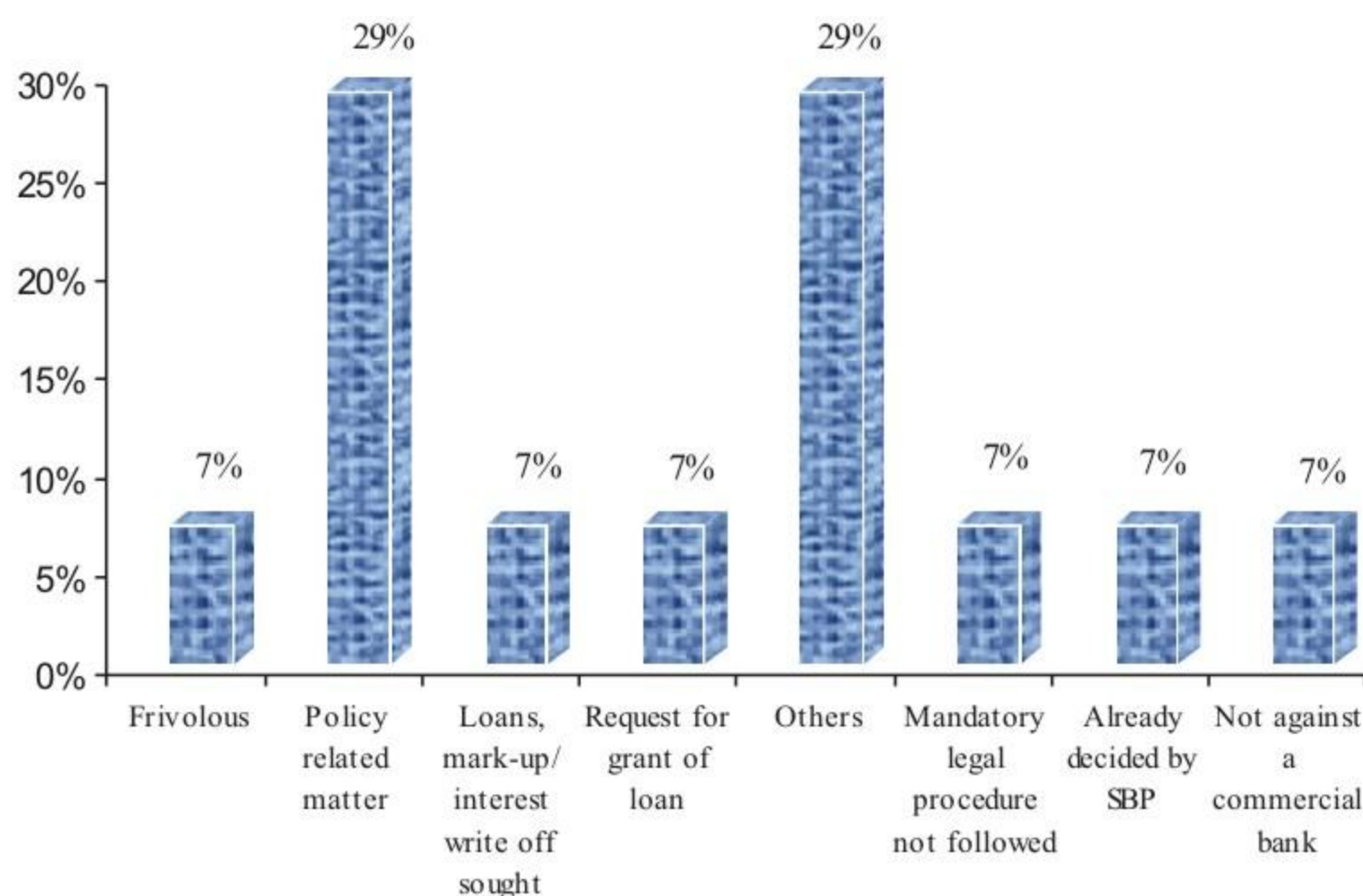
Reasons for rejection of complaints

Rejected complaints are those complaints that are found to fall outside the jurisdiction conferred upon the Banking Mohtasib by law as set forth in the BCO, and thus rejected. As given above, 14 complaints (1% of total formal complaints) were rejected in the year 2012.

The following table and bar chart illustrate the rejection pattern of complaints received in 2012:

Reason for Complaint Rejection	2012	%
Frivolous	1	7
Policy related matter	4	29
Loan, mark-up/ interest write off sought	1	7
Request for grant of loan	1	7
Others	4	29
Mandatory legal procedure not followed	1	7
Already decided by SBP	1	7
Not against a scheduled commercial bank	1	7
Total	14	100

Rejection Pattern of Complaints in 2012



Bank-wise disposal of complaints

In addition to 972 formal complaints received during the year 2012, 99 complaints pertained to previous years and were unresolved as on December 31, 2011. The following tables show bank-wise disposal of these 1071 complaints:

Table 1: Bank-wise disposal of 972 complaints received during the year 2012

Table 2: Bank-wise disposal of 99 complaints brought forward from previous years

Table 3: Bank-wise disposal of 1071 complaints received during the year 2012 and brought forward from previous years

Table 4: Number of complaints received against each bank during the year 2012 taking into account bank size in terms of its branches

Table 1: Bank-wise disposal of 972 complaints received during the year 2012

SN	Bank	Total	Rejected	Declined	Granted	Amount claimed (Rs.)	Amount granted (Rs.)	Pending (31-12-2012)
1	AlBaraka Bank (Pakistan) Limited	1	0	0	0	0	0	1
2	Allied Bank Limited	62	0	15	4	67,000	67,000	43
3	Askari Bank Limited	42	0	4	1	0	0	37
4	Bank Al Habib Limited	10	0	4	2	20,000	20,000	4
5	Bank Alfalah Limited	87	1	11	5	9,159	9,159	70
6	Bank Islami Pakistan Limited	5	0	0	1	500,000	500,000	4
7	Barclays Bank PLC	4	0	0	2	77,000	1,392	2
8	Burj Bank Limited	1	0	0	0	0	0	1
9	Citibank N.A.	19	2	2	1	0	0	14
10	Dubai Islamic Bank Pakistan Limited	6	1	0	1	0	0	4
11	Faysal Bank Limited	59	0	7	11	1,051,000	1,044,779	41
12	Habib Bank Limited	124	0	14	13	445,000	365,000	97
13	Habib Metropolitan Bank Limited	5	0	1	0	0	0	4
14	HSBC Bank Middle East Limited	12	0	1	3	24,000	24,000	8
15	Industrial Development Bank Limited	2	0	0	0	0	0	2
16	JS Bank Limited	2	0	0	1	0	0	1
17	KASB Bank Limited	1	0	0	0	0	0	1
18	MCB Bank Limited	87	3	10	9	113,453	95,000	65
19	Meezan Bank Limited	16	0	4	0	0	0	12
20	National Bank of Pakistan	83	1	14	7	638,066	638,066	61
21	NIB Bank Limited	37	0	4	3	133,600	133,600	30
22	Samba Bank Limited	2	0	0	0	0	0	2
23	Silk Bank Limited	5	0	1	1	0	0	3
24	SME Bank Limited	1	0	0	0	0	0	1
25	Soneri Bank Limited	5	0	0	0	0	0	5
26	Standard Chartered Bank (Pakistan) Limited	83	1	18	8	42,207	42,207	56
27	Summit Bank Limited	7	0	1	1	0	0	5
28	The Bank of Khyber	4	1	0	0	0	0	3
29	The Bank of Punjab	18	2	3	2	9,000	9,000	11
30	United Bank Limited	160	1	17	22	1,747,418	1,668,144	120
31	Zarai Taraqiati Bank Limited	14	0	2	0	0	0	12
32	Institutions other than banks	8	1	2	0	0	0	5
	Total	972	14	135	98	4,876,903	4,617,347	725

Table 2: Bank-wise disposal of 99 complaints brought forward from previous years

SN	Bank	Total	Rejected	Declined	Granted	Amount claimed (Rs.)	Amount granted (Rs.)	Pending (31-12-2012)
1	Allied Bank Limited	11	0	6	4	185,500	185,500	1
2	Askari Bank Limited	4	0	2	2	290,776	145,388	0
3	Bank Al Habib Limited	2	0	2	0	0	0	0
4	Bank Alfalah Limited	4	0	1	2	1,950,000	1,950,000	1
5	Citibank N.A.	1	0	1	0	0	0	0
6	Dubai Islamic Bank Pakistan Limited	1	0	1	0	0	0	0
7	Faysal Bank Limited	5	0	4	1	0	0	0
8	Habib Bank Limited	4	0	3	1	29,000	29,000	0
9	HSBC Bank Middle East Limited	1	0	1	0	0	0	0
10	MCB Bank Limited	12	0	6	6	3,719,856	3,719,856	0
11	Meezan Bank Limited	3	0	2	1	37,159	37,159	0
12	National Bank of Pakistan	10	0	6	3	3,757,015	3,757,015	1
13	NIB Bank Limited	3	0	2	1	0	0	0
14	Silk Bank Limited	2	0	1	1	9,950	9,950	0
15	Soneri Bank Limited	1	0	0	0	0	0	1
16	Standard Chartered Bank (Pakistan) Limited	12	0	6	6	503,265	494,790	0
17	Summit Bank Limited	1	0	0	1	1,466,214	1,466,214	0
18	United Bank Limited	21	0	8	12	11,052,990	3,226,102	1
19	Zarai Taraqati Bank Limited	1	0	0	1	0	0	0
	Total	99	0	52	42	23,001,725	15,020,974	5

Table 3: Bank-wise disposal of 1071 complaints received during the Year and brought forward from previous years

SN	Bank	Total	Rejected	Declined	Granted	Amount claimed (Rs.)	Amount granted (Rs.)	Pending (31-12-2012)
1	Albaraka Bank (Pakistan) Limited	1	0	0	0	0	0	1
2	Allied Bank Limited	73	0	21	8	252,500	252,500	44
3	Askari Bank Limited	46	0	6	3	290,776	145,388	37
4	Bank Al Habib Limited	12	0	6	2	20,000	20,000	4
5	Bank Alfalah Limited	91	1	12	7	1,959,159	1,959,159	71
6	Bank Islami Pakistan Limited	5	0	0	1	500,000	500,000	4
7	Barclays Bank PLC	4	0	0	2	77,000	1,392	2
8	Burj Bank Limited	1	0	0	0	0	0	1
9	Citibank N.A.	20	2	3	1	0	0	14
10	Dubai Islamic Bank Pakistan Limited	7	1	1	1	0	0	4
11	Faysal Bank Limited	64	0	11	12	1,051,000	1,044,779	41
12	Habib Bank Limited	128	0	17	14	474,000	394,000	97
13	Habib Metropolitan Bank Limited	5	0	1	0	0	0	4
14	HSBC Bank Middle East Limited	13	0	2	3	24,000	24,000	8
15	Industrial Development Bank Limited	2	0	0	0	0	0	2
16	JS Bank Limited	2	0	0	1	0	0	1
17	KASB Bank Limited	1	0	0	0	0	0	1
18	MCB Bank Limited	99	3	16	15	3,833,309	3,814,856	65
19	Meezan Bank Limited	19	0	6	1	37,159	37,159	12
20	National Bank of Pakistan	93	1	20	10	4,395,081	4,395,081	62
21	NIB Bank Limited	40	0	6	4	133,600	133,600	30
22	Samba Bank Limited	2	0	0	0	0	0	2
23	Silk Bank Limited	7	0	2	2	9,950	9,950	3
24	SME Bank Limited	1	0	0	0	0	0	1
25	Soneri Bank Limited	6	0	0	0	0	0	6
26	Standard Chartered Bank (Pakistan) Limited	95	1	24	14	545,472	536,997	56
27	Summit Bank Limited	8	0	1	2	1,466,214	1,466,214	5
28	The Bank of Khyber	4	1	0	0	0	0	3
29	The Bank of Punjab	18	2	3	2	9,000	9,000	11
30	United Bank Limited	181	1	25	34	12,800,408	4,894,246	121
31	Zarai Taraqati Bank Limited	15	0	2	1	0	0	12
32	Institutions other than banks	8	1	2	0	0	0	5
	Total	1071	14	187	140	27,878,628	19,638,321	730

Table 4: Number of complaints received against each bank during the year 2012 taking into account bank size in terms of its branches

SN	Bank	Complaints Received	Branches	Complaints per Branch
1	AlBaraka Bank (Pakistan) Limited	1	94	0.01
2	Allied Bank Limited	62	874	0.07
3	Askari Bank Limited	42	236	0.18
4	Bank Al Habib Limited	10	308	0.03
5	Bank Alfalah Limited	87	453	0.19
6	Bank Islami Pakistan Limited	5	141	0.03
7	Barclays Bank PLC	4	7	0.57
8	Burj Bank Limited	1	67	0.01
9	Citibank N.A.	19	7	2.71
10	Dubai Islamic Bank Pakistan Limited	6	100	0.06
11	Faysal Bank Limited	59	265	0.22
12	Habib Bank Limited	124	1496	0.08
13	Habib Metropolitan Bank Limited	5	143	0.03
14	HSBC Bank Middle East Limited	12	10	1.20
15	Industrial Development Bank Limited	2	7	0.29
16	JS Bank Limited	2	77	0.03
17	KASB Bank Limited	1	104	0.01
18	MCB Bank Limited	87	1179	0.07
19	Meezan Bank Limited	16	310	0.05
20	National Bank of Pakistan	83	1294	0.06
21	NIB Bank Limited	37	179	0.21
22	Samba Bank Limited	2	28	0.07
23	Silk Bank Limited	5	85	0.06
24	SME Bank Limited	1	13	0.08
25	Soneri Bank Limited	5	233	0.02
26	Standard Chartered Bank (Pakistan) Limited	83	130	0.64
27	Summit Bank Limited	7	186	0.04
28	The Bank of Khyber	4	77	0.05
29	The Bank of Punjab	18	302	0.06
30	United Bank Limited	160	1314	0.12
31	Zarai Taraqiati Bank Limited	14	359	0.04
32	Institutions other than banks	8	-	-
	Total	972	10,078	-

Note: No formal complaint was received against the following seven banks in the year 2012:

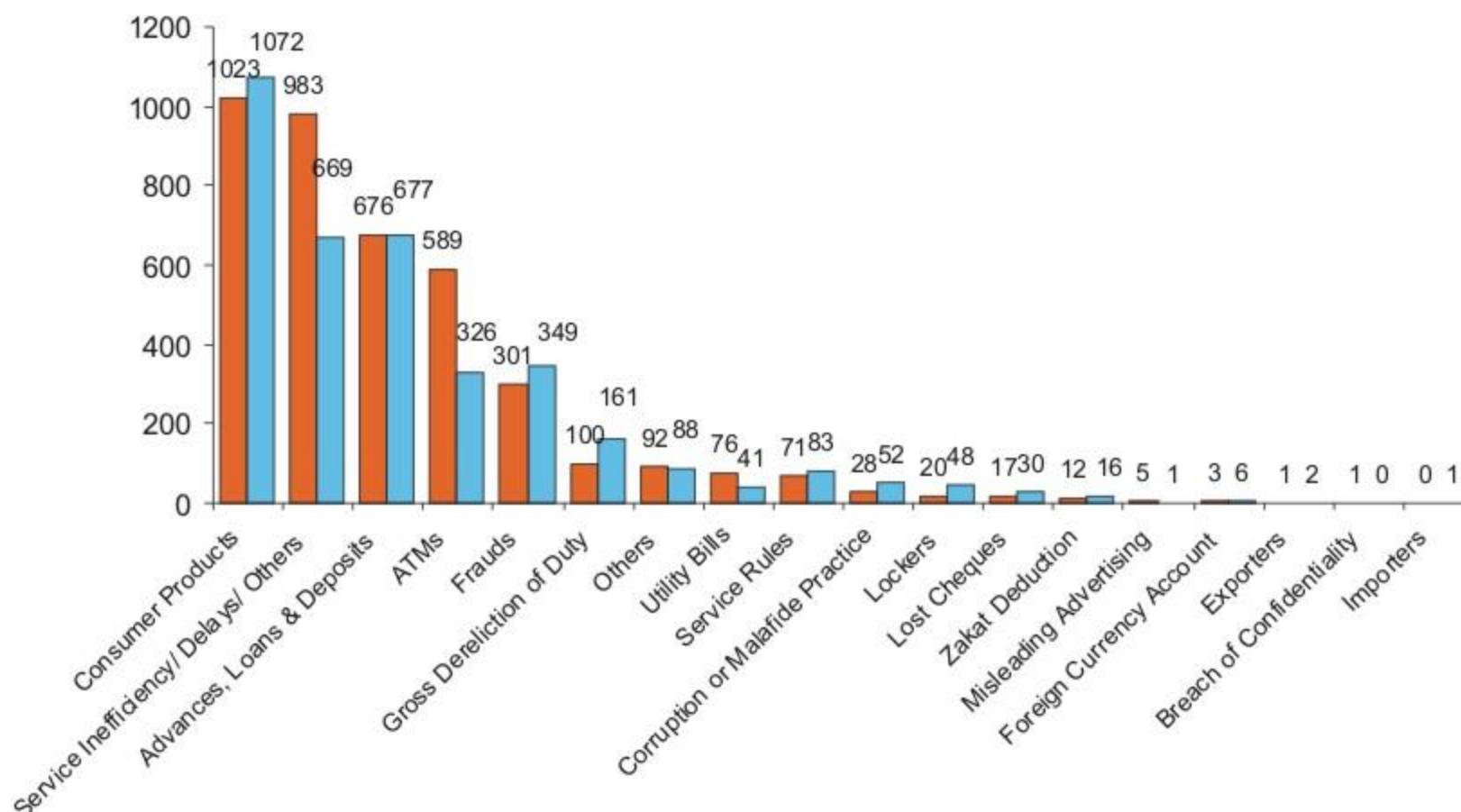
1. Deutsche Bank AG
2. First Women Bank Limited
3. HSBC Bank Oman SAOG (formerly Oman International Bank SAOG)
4. Industrial and Commercial Bank of China Limited
5. Sindh Bank Limited
6. The Bank of Tokyo-Mitsubishi UFJ Limited
7. The Punjab Provincial Cooperative Bank Limited

Types of Complaints Received

The following table and bar chart illustrate the comparison between the overall (formal and informal) complaints received in the years 2011 and 2012. The complaints are classified under different categories (numbers in brackets indicate a decreasing trend):

SN	Categories	Complaints		Difference	Difference (%)
		2012	2011		
1	Consumer Products	1,023	1,072	(49)	(4.6)
2	Service Inefficiency/ Delays/ Others	983	669	314	46.9
3	Advances, Loans & Deposits	676	677	(1)	(0.1)
4	ATMs	589	326	263	80.7
5	Frauds	301	349	(48)	(13.8)
6	Gross Dereliction of Duty	100	161	(61)	(37.9)
7	Others	92	88	4	4.5
8	Utility Bills	76	41	35	85.4
9	Service Rules	71	83	(12)	(14.5)
10	Corruption or Malafide Practice	28	52	(24)	(46.2)
11	Lockers	20	48	(28)	(58.3)
12	Lost Cheques	17	30	(13)	(43.3)
13	Zakat Deduction	12	16	(4)	(25.0)
14	Misleading Advertising	5	1	4	400.0
15	Foreign Currency Account	3	6	(3)	(50.0)
16	Exporters	1	2	(1)	(50.0)
17	Breach of Confidentiality	1	0	1	-
18	Importers	0	1	(1)	(100.0)
	Total	3,998	3,622	376	

Total Complaints: Categories

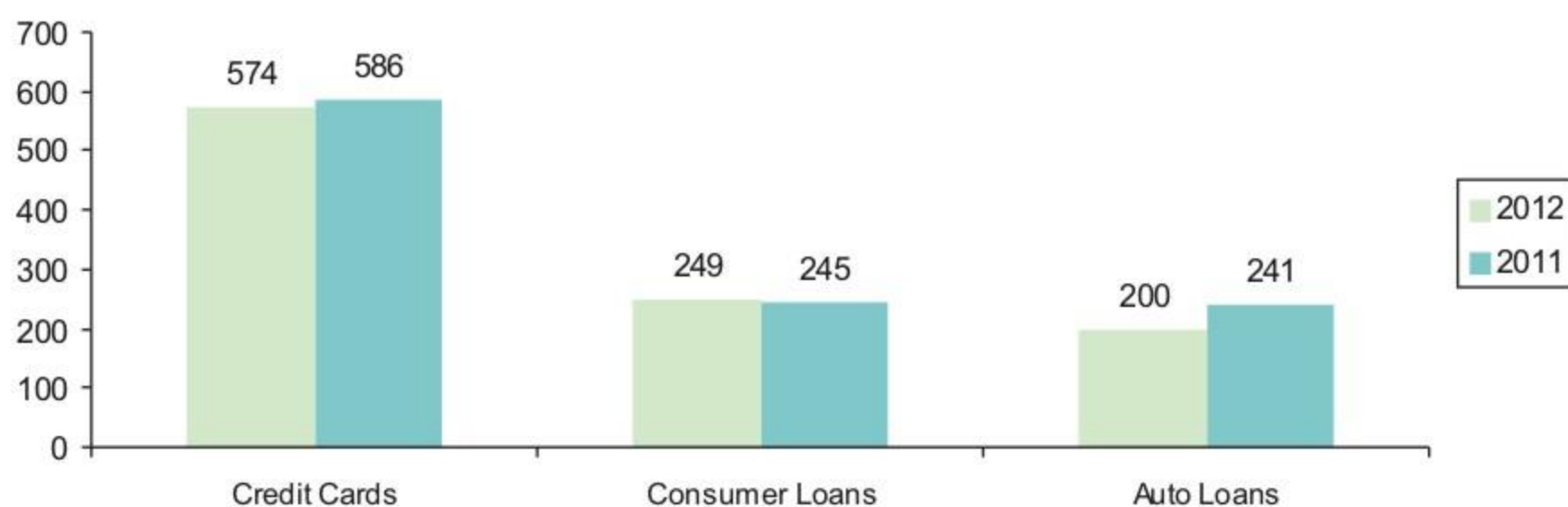


■ 2012 ■ 2011

Complaints received under the category of Consumer Products may further be broken down in three major categories as given below:

Category	2012	2011
Credit Cards	574	586
Consumer Loans	249	245
Auto Loans	200	241
Total	1,023	1,072

Total Complaints: Consumer Products

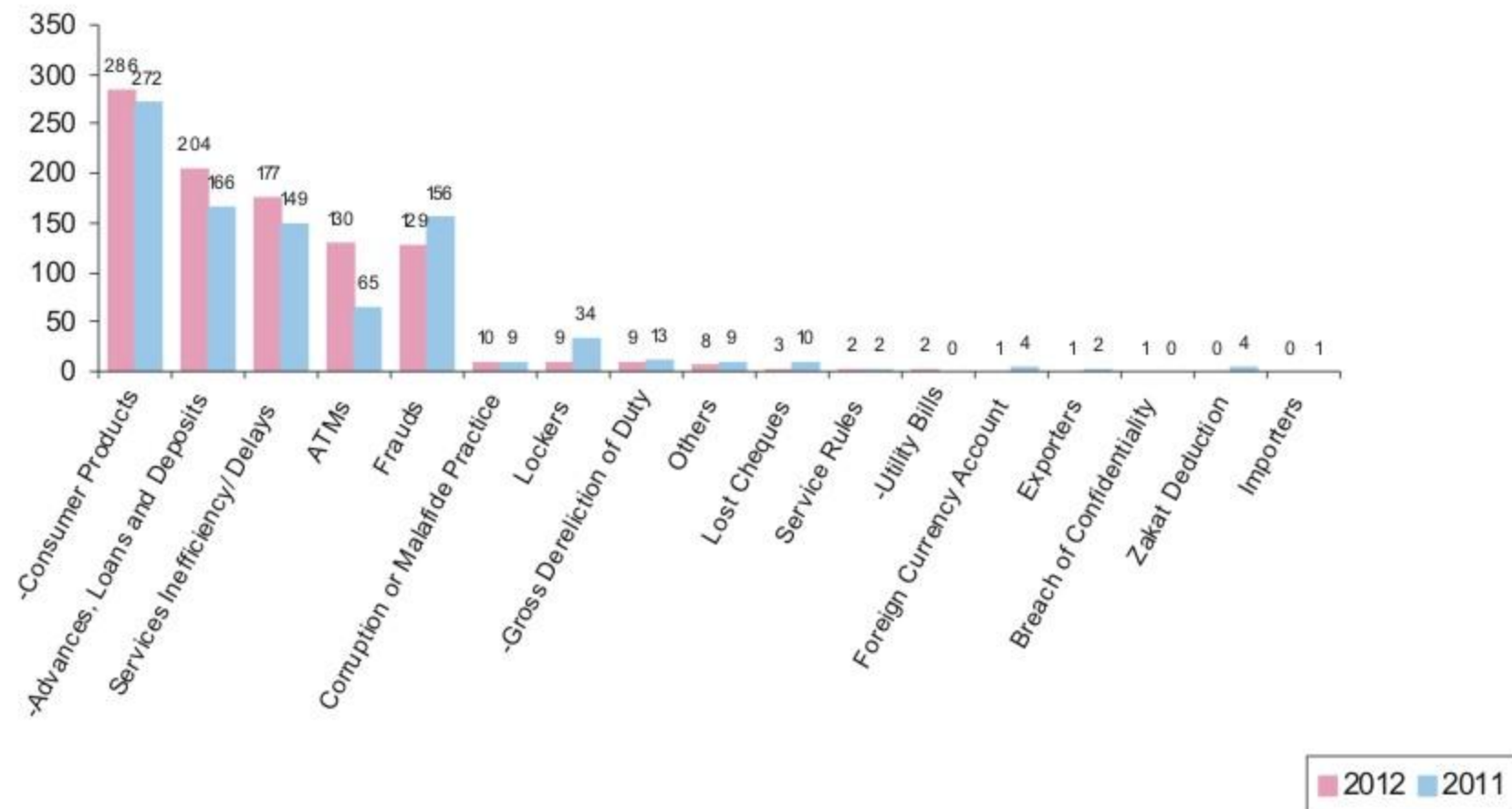


Complaint Categories: formal complaints

The following table and bar chart give a comparison between the formal complaints received in 2011 and 2012 under different categories:

SN	Categories	Complaints		Difference	Difference (%)
		2012	2011		
1	Consumer Products	286	272	14	5.1
2	Advances, Loans and Deposits	204	166	38	22.9
3	Services inefficiency/ Delays/ Others	177	149	28	18.8
4	ATMs	130	65	65	100.0
5	Frauds	129	156	(27)	(17.3)
6	Corruption or Malafide Practice	10	9	1	11.1
7	Lockers	9	34	(25)	(73.5)
8	Gross Dereliction of Duty	9	13	(4)	(30.8)
9	Others	8	9	(1)	(11.1)
10	Lost Cheques	3	10	(7)	(70.0)
11	Service Rules	2	2	0	0.0
12	Utility Bills	2	0	2	-
13	Foreign Currency account	1	4	(3)	(75.0)
14	Exporters	1	2	(1)	(50.0)
15	Breach of Confidentiality	1	0	1	-
16	Zakat Deduction	0	4	(4)	(100.0)
17	Importers	0	1	(1)	(100.0)
	Total	972	896	76	

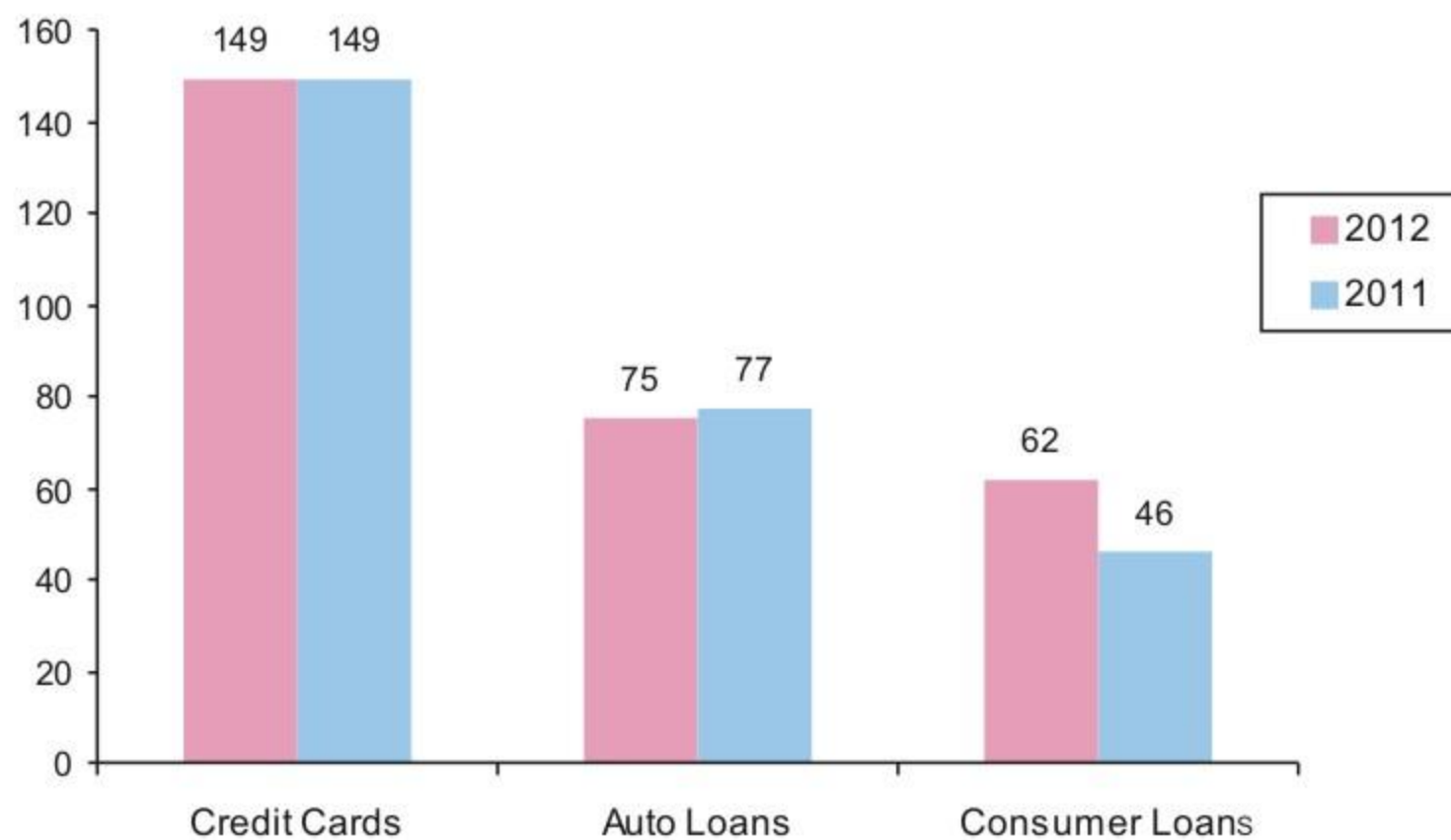
Formal Complaints: Categories



Formal complaints relating to consumer products may further be broken down in three major categories as provided in the following table and chart:

Category	2012	2011
Credit Cards	149	149
Auto Loans	75	77
Consumer Loans	62	46
Total	286	272

Formal Complaints: Consumer Products



As noted earlier in the report, the combined total of formal and informal complaints shows an overall increase of 10.4% over the 2011 total owing to the informal reconciliatory resolution provided by us at the initial stage.

More importantly, the above data and charts on complaints received under different categories depict a significant increase in complaints regarding ATMs, service inefficiency and delays, and utility bills collection which needs to be noted. As discussed in our next sections on service culture and systemic issues in banks, these are mostly due to malfunctioning of IT systems at banks; faulty ATMs and their frequent breakdown, especially those installed in remote areas; and last but not the least, the lack of guidance and help from bank staff.

[The source data of this report is our in-house complaint processing system called Banking Ombudsman Complaint Tracking System (BOCTS).]

Observations on Service Culture in Commercial Banks

We continue to receive many complaints regarding faulty ATM machines. Due to a technical error, the customer is either not provided the transaction slip, or when the slip is generated, the currency notes are not dispensed. A more significant aspect of these complaints is the behavior of the concerned staff member who does not guide the complainant properly. In most of the cases, the matter was not even referred on time to the bank whose ATM was used for the disputed transaction. The customer was nevertheless assured verbally that the money would be refunded in a few days, which was rarely done. We have advised managements of banks to take appropriate measures to address such grievances.

While dealing with complaints regarding ATM transactions, we have observed that in many instances, CCTV camera was not functioning either due to some technical error or power failure. This was despite the fact that there are clear SBP instructions addressed to banks for CCTV cameras, and the installation process was required to be completed by December 2008. We have yet to see implementation of these instructions at many branches of the banks.

Today, information technology has made vast progress and has, among other businesses, revolutionized banking the world over. It is good to observe that most of the banks operating in Pakistan have adopted new IT systems according to their needs. However, during our investigation, it becomes apparent that many times, operational instructions fed previously are not transferred to or accounted for in the new system and remain un-noticed by the concerned staff.

It has also been observed that customers who avail housing finance or auto finance from banks face hardships in obtaining the original files of vehicles/ sale deeds constituting documents of title even after the finance is finally adjusted and NOC issued by the Bank. The reason for such complaints is the absence or application of defective procedure for "Safe-in" and "Safe-out" of such security documents. This is also a vital issue that needs attention of banks.

During investigations of frauds in branches in 2012, we also came across many cases of frauds through parallel banking that could have been avoided or detected very early had the banks monitored and implemented effective dual controls at the branches. Besides, while SBP has repeatedly issued directives to the banks to dispatch statements of accounts to their customers periodically, we still received reports that the account statements were not delivered to the customers, and after their repeated requests, these statements were

issued with much reluctance and after charging the account of the customer for duplicate account statement.

These and many other instances show that banks still need to improve their internal processes to provide service that is responsible and convenient and certainly vital for a healthy banking system in the country.

Analysis of Systemic Issues with Recommendations

From time to time we come across systemic deficiencies and control weaknesses within banks in the course of our investigations. Such weaknesses are brought to the attention of the senior bank management. For issues that are critical in nature, a report is submitted to the State Bank of Pakistan for such action as it may consider appropriate.

In the year 2012, we handled many complaints where lack of prudent and efficient banking practices facilitated frauds. There were also instances that highlighted a need for fresh regulatory instructions, and in one case we have also proposed a role of Pakistan Banks' Association (PBA). All except the last two recommendations have been conveyed to the State Bank of Pakistan.

We are reproducing below these systemic issues along with our recommendations:

1. Frequent and extended downtime of banks' systems

We receive complaints about malfunctioning of IT systems at banks where a complainant visits a bank branch to deposit admission fee of a university or a government challan but the cashier refuses to receive the amount on the grounds that the bank's network is down, the fact later confirmed by the manager. In a particular instance, the complainant residing in Peshawar could not receive in time the remittance sent by his son from abroad owing to the reason that the bank's link with its Karachi office was "down" that day.

We therefore recommended to SBP that banks should make alternate manual arrangements to make payments to clients and receive deposits even when their system is not working.

2. Out-of-order ATMs in remote areas

Frequent and lengthy breakdown of ATMs installed in remote areas is a related issue faced by bank customers. Banks attribute the problem to the non-availability of technical personnel in these areas to remove faults. For instance, ATM installed in a bank branch at Sibi remained out of order for more than a month and repair work could not be carried out locally owing to non-availability of technical personnel at Sibi and the prevailing law and order situation there.

Banks should ensure availability of technical staff even in remote areas to carry out repair and maintenance of the faulty or out of order ATMs in different districts and tehsils. Such technical problems should also be monitored from a cell at the Zonal/ Regional/ Head Office level to ensure better service to the customers. Since the frequency of such complaints has

increased, we have recommended issuance of SBP guidelines to the banks so that recurrences of such instances are avoided.

3. Evasion of withholding tax

Instances have come to light where a bank obliges its customers by paying them cash deposited by other parties against the cheques of the customers. The cheque is deposited in the cash depositing customer's account along with balance cash amount, if any. Besides, at places where neither NIFT is operational nor SBP BSC (Bank) offices exist, funds are collected from NBP branches and the customers usually manage to get a part of the amount or the whole amount in cash from the Bank without deduction of withholding tax.

This practice also creates problems in the investigation of parallel banking cases. We recommended that banks should be advised to discontinue the practice of paying cash deposited by other parties against deposited cheques and ensure that withholding tax is deducted as per rules in all cash transactions.

4. Alleged replacement of account opening forms

It has been noted that counterfoil portion of the account opening form (AOF) or a photostat copy of AOF required to be made available to the account holder is not provided to the customer in a majority of cases despite the issuance of two circulars by State Bank of Pakistan: BSD Circular No.12 dated March 17, 2001, and BPRD Circular No.7 of May 27, 2011. In the cases of parallel banking and unauthorized withdrawal of funds with the connivance of bank officials, allegations of replacement of the original AOFs have been made. Further, accounts of individuals are opened with specimen signatures entirely different from those available on CNIC/ NADRA Verisys, thus making the KYC exercise doubtful.

We have recommended that there should invariably be a written acknowledgment as evidence of account opening on the AOF itself, with details like specimen signatures, operational instructions, title of account, etc. and confirming delivery of the counterfoil portion or photostat copy of the AOF to the customer to make replacement of forms impossible. Besides, for cases where the signatures of a person on the CNIC differs from those on the AOF/ Signature Card, instructions should be issued to the banks to ensure that an application containing both the signatures of the person should be obtained and attached to the AOF.

5. Photo Accounts: issuance of ATM / Debit Cards and online transfers

It has been observed that ATM/ debit cards are also issued to account holders who have photo accounts for withdrawal of money despite the fact that such account holders require proper identification and authentication by Bank officials before being allowed any withdrawals. Checks and balances to ensure that only genuine transactions are allowed in online transfer of funds from photo accounts are usually not in place.

In photo accounts, cheques are paid only when the account holder personally visits the bank and signs the cheque in the presence of bank officials. Further, the bank officials after positive identification of the account holder by virtue of the photograph affixed on specimen signatures card attest the customer's signatures and also certify that the signatures of the customer have been made in their presence. These controls are compromised when a withdrawal is allowed through ATM/ debit card, which in turn can lead to unauthorized and fraudulent withdrawals.

In one particular case, the complainant, an illiterate person, opened his Photo Account at a bank branch in Karachi. After some time, he went abroad and on his return, alleged that in his absence, an unauthorised ATM card had been issued and PKR 785,000/- withdrawn through it. The bank in its defense could only state that the entire record of the branch had been destroyed during the December 2007 riots.

We have proposed that the transfer of funds "online" from photo accounts should not be allowed ordinarily and funds transfer should take place only through issuance of Pay Orders or Bank Drafts. We have also recommended regulatory guidelines for online transfers and issuance of ATM/ debit cards to persons having photo accounts.

6. Credit card related issues

Issue 1: We receive many complaints where a cheque dropped in the drop box for credit card bill payments is misplaced by the bank staff. In some cases, the cheques deposited in drop boxes do not have the correct credit card account number on the reverse although the cheques are otherwise in order. The banks, instead of contacting the person or correcting the same at their end (as full particulars are available with them), do not send the cheque for collection and demand physical presence of the customer to rectify the mistake. Resultantly, late payment fee and other charges are applied to the account and the card holder is inconvenienced. Since no evidence of cheque deposit can be produced in such cases, the customers cannot controvert the levy of late payment surcharge. It may be added here that banks have Standard Operating Procedures for the Drop Box Facility

according to which the cheques in the drop box are duly recorded, but such listings are not made when the branches offering this facility do not have consumer finance centers.

This delays immediate settlement of the outstanding card balance. A bank requires a three-day period for collection of cheques and entitles itself to levy of delayed payment charges if the due date has expired, even when the cheque is deposited within the due date.

We have recommended the following to SBP:

- a. Customers should be enabled to confirm with the bank before the due date whether their payments have been received by it or not. These instructions may be printed at the back of the statement of account, or on the Business Reply Envelope (BRE).
- b. Discrepancies in the cheques should be rectified immediately by contacting the customers.
- c. The amount may be collected if the cheque is otherwise in order and placed in the sundry account till such time the mistake is corrected.

Issue 2: In various credit card complaints, incidents have been reported whereby the merchants were found to be involved in fraudulent activities. The acquiring banks have taken due notice of such unscrupulous individuals and blacklisted them. However, there is no mechanism through which the names and particulars of these merchants may be brought to the notice of other banks.

We have recommended to SBP that the names of such suspended/ black listed merchants (particularly those involved in the business of petrol pumps, mobile phones, companies selling computers and their accessories, and jewelry shops) need to be shared amongst acquiring banks as well as issuer banks through Pakistan Banks' Association.

Issue 3: Banks often fail to act promptly on a card holder's request for cancellation of the card either due to the failure of the card holder to provide complete details or owing to the fact that the card is returned to the bank intact or cut into two pieces only.

It is suggested that in all such cases, the bank must cancel the card forthwith to prevent its misuse and further transactions. Instead of returning credit card to the customer for these reasons, the bank should cancel the card by cutting it into four pieces in the presence of the customer, or if he has left, in the presence of at least another bank official and inform the card cancellation date to the customer.

7. Issuance of duplicate cheque book

Various cases have come to our notice in which unauthorised persons obtained duplicate

cheque books on open cheque requisition forms instead of the requisition form available in the cheque book of the account holder. Unauthorized withdrawals were then made through these cheque books without the knowledge of the account holder.

The matter was escalated to SBP earlier also but in view of a spate of complaints on the subject, the matter was reviewed and updated and a fresh recommendation made. It was thus proposed that issuance of fresh cheque books should be subject to two restrictions: firstly, written application to issue cheque books should only be accepted from the account holder in person with a plausible reason like loss of previous cheque book with its requisition slip, and secondly, stop payment instructions in respect of unutilized cheques of previous cheque book being reported lost should be incorporated in the record with date and time.

8. Duplicate SIMs issued against fake CNICs

A number of complaints have been received where swindlers manage to obtain duplicate cell phone SIMs on the basis of an account holder's fake CNIC or its copy to defeat the security tool of call-back confirmation process used by the banks. In such fraudulent activities, the phone call made by the bank is received by the culprit, instead of the customer, on the duplicate SIM obtained from a franchise of the mobile company after getting the original SIM blocked, and the culprit okays the transaction. The unsuspecting bank, after getting the required confirmation, pays the cheque.

It was proposed that SBP may advise cellular companies through the Ministry concerned to enhance controls with regard to issuance of duplicate SIMs in order to minimize such fraudulent activities.

9. Lack of know-how on new products launched

It has been observed that by and large, bank staff does not have adequate understanding of the new products launched by its bank. Banks should ensure that their staff is well informed and trained in time about the new products, and is made fully aware of the bank's policy in this regard. The field staff of the banks in particular should be imparted necessary training to facilitate its understanding and knowledge of the technicalities associated with the product and the processes required to be followed.

10. Bankers acting as Insurance agents

During the last few years, we have increasingly received complaints where the bank employees wrongfully sold insurance policies to its customers on the pretext of a part of documentation undertaken for opening an account or for participating in a new investment scheme introduced by the banks. The complainants deny having ever agreed to take out an

insurance policy or having any knowledge of its existence, and demand refund of money taken away by the banks as insurance premium.

It is recommended that the State Bank may direct banks that instructions contained in its CPD Circular No.02 dated June 29, 2012, should be meticulously followed.

Case Studies

Case 1: The complainant, who maintained a proprietorship account with the Bank stated that he had entered into a partnership agreement with Mr. A and gave him a sum of Rs.27,500,000/- as his share of the capital of the partnership business. Upon dissolution of the partnership, Mr. A returned the complainant's share capital through a cheque which on presentation was returned unpaid with the reason "account closed". The complainant lodged an FIR against Mr. A under Section 489F of PPC ("dishonestly issuing a cheque").

According to the complainant, the Bank later issued a duplicate cheque book of the complainant's account, without his consent and knowledge, to Mr. A. Mr. A then issued six forged cheques from the wrongfully obtained cheque book. On presentation, the Bank dishonoured the cheques with the reason "insufficient funds" instead of "signature differs". The holder lodged six FIRs against the complainant with the Police under PPC (489F), and it resulted in the arrest, detention, and trial of the complainant that stretched over months. According to the complainant, this caused enormous hardships, mental agony, and monetary loss to him and his business collapsed.

The Bank when contacted stated that the cheque book obtained by Mr. A had neither been recorded nor issued by the Bank. It added that the Branch Manager in his statement to the Police had categorically stated that the cheque book in question was bogus and not issued by the Bank, and it was on the basis of this statement that the criminal case was declared false and baseless by the Police and the complainant exonerated.

We drew attention of the Bank to SBP Circular Letter No.31 dated October 12, 2009, that requires banks to give correct and complete reasons for dishonoring cheques in their cheque return memo at the time of return of cheques of the customers. The Bank could only clarify that it followed the SBP instructions but any unintentional negligence could arise on account of rush or pressure of work.

The Bank was directed to mark 'stop payment' in the system against remaining unutilized cheques of the bogus cheque book, and in the event any of the cheques from that cheque book were presented in future, to return the cheques issued with remarks "Bogus/ invalid cheque" under intimation to the complainant. Further, the Bank was instructed to convey the exact scenario to the law enforcement agencies if and when required by them. The Bank was also directed to re-emphasize the line management/ branches staff for strict adherence of the instructions issued by the above-noted SBP Circular Letter.

The Bank confirmed compliance.

Case 2: The complainant stated that he availed a personal loan facility from Bank B (now merged with Bank C) in 2003 and it was fully paid by him in January 2007. Thereafter, he surrendered his ATM card (cut into pieces) and the cheque book to this account at Bank C Branch. Four years after termination of the facility, he came to know that his name was reported by the Bank to eCIB Negative List with a write off amount of Rs.7,822/-, although he had neither made any request for renewal of the facility nor had received any cheque book, ATM card, or statement of account during the said period. When contested by the complainant, the Bank reversed the charges but failed to file any profile update for removal of his name from the list or even an apology for misreporting his name as a defaulter. The Bank maintained that the write off amount represented annual renewal fee of the facility for four years, and that it had neither received any request for closure of the loan account nor any cut card or cheque book from him.

In the hearing that followed, the Bank's representatives, when questioned, accepted that the complainant had neither used the ATM card or cheque book nor renewed the loan facility once he had adjusted his liability back in January 2007. It, however, maintained that monthly account statements were dispatched to the complainant's updated address but returned undelivered with the reason "no such consignee". No material evidence in this connection could be provided by the Bank. According to the Bank, its collection staff attempted to establish contact with the complainant at his updated contact details with no success. Again, no track record was provided in this regard.

More importantly, SBP's regulatory decision vide BSD Circular No.16 dated November 6, 2004, read with its BPRD Circular Letter No.1 dated January 12, 2010, makes it mandatory for banks and DFIs to send an intimation letter to the concerned borrower before reporting his/ her name to a private credit bureau as a defaulter and for reporting 90 days overdue against his/ her name to eCIB. In addition, SBP directs that such letter should interalia inform the borrower about the implications of reporting and allow reasonable time period (at least 15 days) for reconciliation/ settlement of overdue liabilities. The Bank could not provide any evidence of having notified the complainant (either served or returned) before reporting his name to the eCIB negative list in terms of the SBP directives.

The complainant had paid off the entire liability in January 2007, and he was led by the Bank to believe that his loan facility was terminated as he was not asked to pay any sum afterwards, but the Bank reported his name to eCIB in 2010. The Bank was in the circumstances estopped from claiming any outstanding from the complainant on the principle of estoppel.

The complaint was accepted and the Bank directed to issue clearance certificate and file a profile update to purge the complainant's name from the history of negative lists of credit bureaus. The Bank confirmed compliance.

Case 3: The complainant was the only brother and legal heir of his brother, Mr. D, who maintained a bank account. Himself an advanced stage cancer patient, he lodged a complaint that after the death of his brother, a sum of Rs.217,000/- was fraudulently transferred from the deceased account to another account with forged signatures of his brother. Besides, the cheque was issued on the day the deceased passed away and it was encashed after a period of four months and five days from that date.

The Bank submitted to this office that the deceased, Mr. D, worked as a supervisor in a company owned by Mr. E, the beneficiary of the disputed cheque, and credit transactions in Mr. D's account were mostly routed through Mr. E's account. The Bank's investigation report also pointed out that while the signatures on the disputed cheque were inconsistent and different from the specimen signatures of the deceased, their authenticity was verified by the Branch Manager.

The Bank also provided copy of an affidavit submitted by the beneficiary to the Bank. The affidavit indemnified the Bank from any loss or dispute by depositing the amount of the cheque in the deceased account. On our follow up and on the basis of this indemnity, the Bank confirmed that the sum of Rs.217,000/- had been transferred to the deceased account in good faith and was available for disbursement on production of Succession Certificate in accordance with the Law.

Case 4: The complainant had issued three pay orders, amounting to Rs.3,695,000/-, from his Bank F account. The pay orders were made in favour of 'CAR BID' of Bank G, each with a different account number, and handed over to a person, Mr. X, for purchase of cars. According to the complainant, the pay orders were deposited with Bank G but instead of crediting the amount to the account titled CAR BID, it credited the amount to the accounts of its three different account holders.

Bank G took the plea that the pay orders were accepted by its Branches in good faith from its three different but known and genuine account holders, with their account numbers specifically mentioned in the pay orders of the complainant. Maintaining that the amount was credited to the right accounts, the Bank contended that Car Bid was not the title of account but the purpose for which the pay orders were obtained.

According to Bank G's report, some of its customers interacted and engaged in car sale/purchase business on partnership basis with Mr. X, who called himself an officer of SBP Audit Department. He reportedly received money from them in the shape of cash or cheque and then obtained cars in bids from banks, returning the excess money after sharing profit. All the three customers of the Bank who happened to be the payees of these instruments claimed that Mr. X had failed to return the amount of money they gave him for participating in car bids. When they pressurized him, he took their account numbers and branch codes and provided the pay orders to them. Mr. X was reportedly under arrest after one of the customers registered an FIR against him.

In the hearings that followed, the Bank could not establish that it had exercised due care and caution required under KYC. The fact that there was no account titled 'Car Bid' in the Bank demanded an enquiry from a prudent banker before collection of the instrument, more so when the amounts of the transactions did not correspond with the past balances/ transactions of the respective accounts. That this was not done showed that proper safeguards were not adopted by the Bank at the time of crediting the pay orders in the accounts.

Out of the three account holders, the Bank could produce only two in evidence. Although they supported the version of the Bank to the extent that they received the amount of the respective pay orders, they were unable to prove that they had received the amount against any consideration or mandate of the complainant, and candidly admitted that their names were not mentioned in the said pay orders. The Bank had not produced any other witness or any other documentary evidence, prevailing banking practice, or any legal proposition supporting the manner in which they dealt with these three pay orders.

The fact that the Bank collected the pay orders and credited the proceeds to accounts having titles different from the one mentioned in the pay orders was so grossly negligent if not malafide an act that established that the Bank could not avail protection under Section 131 of Negotiable Instrument Act, 1881. The complaint was thus granted and the Bank directed to refund the total amount of the three pay orders, i.e., PKR 3,695,000/-, to the complainant.

The order was upheld in appeal.

Case 5: The complainant, maintaining a current account with Bank H Branch-I, noticed a shortfall in his account balance and on reporting the matter to the Manager came to know that a withdrawal of Rs.1.950 Million was made from his account through a fake cheque as a cheque with the same serial number was intact in his cheque book. The fake cheque was paid online by the Bank's Branch-II in the same city.

According to the Bank, when the cheque was presented, Branch-II after due verification of the authenticity (the cheque appeared genuine and had all the security features intact) contacted Branch-I which, after getting clearance from the complainant over his cell number available with it, gave its own clearance for payment. The complainant on the other hand contended that his cell phone SIM was blocked on October 3, 2011, and a duplicate SIM was issued unauthorisedly by the cellular company to someone against presentation of his fake CNIC. He also denied having signed the cheque and said that his signatures appeared to have been traced (forgedly superimposed) from another cheque he gave to a dubious money lending agency.

When the case was followed up with the cellular company concerned, it transpired that someone got the complainant's duplicate SIM from the company's franchise after changing the photograph and signature on the CNIC of the complainant and showing the same altered CNIC and copy of NADRA token to the franchise. Further, the original CNIC of one Mr. M whose CNIC was presented for payment, had still been held by his ex-employers, and someone who bore resemblance with Mr. M used his original CNIC for encashment of the cheque.

Since the original cheque was in the custody of FIA, a Commission was appointed to examine the original cheque at the FIA office. The Local Commissioner's report revealed that on the disputed cheque, security features were less prominent than those present on the original cheque intact with the complainant. The Bank had failed to detect the specific differences pointed out by the Local Commissioner, a fact that was also not controverted by the Bank Officer who signed the report. Besides, the Bank's own report revealed that someone had used Mr. M's original CNIC for encashment of the cheque. Branch-II did not perform due diligence as in any event, the original CNIC presented was not that of the presenter.

The facts of the case proved that the disputed cheque was prepared, printed, and presented for encashment under forged signatures. The Honourable Sind High Court in similar cases held that a cheque so forged is a nullity in law under Section 29B of Negotiable Instruments Act, 1881, unless the Bank could prove estoppel against the complainant. In another case (PLD 1969 Supreme Court 301), the Hon'able Supreme Court has held that "The rule of equity which applies as between the two innocent persons in such cases is that the one who could prevent the loss must suffer and not the other who was powerless to do so."

Here, the Bank was in a better position to prevent the loss with more care and caution, while the complainant was not in a position to avert the fraud. It could also not give any evidence to prove estoppel against the complainant. The Bank was therefore directed to recompense the complainant with the sum of Rs.1,950,000/-. The Bank confirmed compliance.

Case 6: The complainant, who maintains a photo account at Bank J Branch-I, wanted to get the name of his son added as a joint account holder in his account. He was informed by the Branch Manager that his account had been blocked owing to no transactions for the last six months, and that he was required to submit copy of his CNIC for account activation. He left his cheque book in an envelope at the Manager's table to get a copy of his CNIC, and after submitting the copy, he left. When he next visited the Branch on June 11, 2011, to withdraw cash and enquired his credit balance, he was referred to the Branch Manager who informed him that an amount of Rs.150,000/- had been withdrawn from his account.

When we advised the Bank to investigate and submit the report to us, it complied but maintained that the payment was made in accordance with the law. In the hearing that followed, Customer Service Manager (CSM) of the Branch stated on oath that the complainant visited the Branch and signed the cheque in his presence, and that it was attested by him. When it was pointed out that the cheque was paid online and transferred 20 days after its issue date, the CSM replied that in the rush of customers, he could not see that the complainant had left the Branch without encashing his cheque. When the original cheque was shown to the complainant, he denied without any hesitation the signature that appeared on the cheque, and also denied having visited the Branch on the day the cheque was paid online. The fact is that he had encashed Cheque No.8514602 on June 11, 2011, whereas the disputed cheque bearing number 8514625 was the last cheque in his cheque book, which supports his contention that it was stolen from his cheque book.

When we examined the cheque, overwriting was noticed in the date of the cheque, apparently authenticated by the account holder, but not verified by any officer of the Bank. On query, the CSM stated that the authentication signature was not put before him. The paying branch (Branch-II of Bank J) made the payment overlooking this discrepancy. Most importantly, the complainant was maintaining a photo account and his presence in the Bank to sign the cheque was necessary, more so for online payment. It is a regular practice in commercial banks that cheques drawn on photo accounts are not accepted in clearing/ collection and for online transfer unless at the time of transfer of funds, the account holder is present. His presence was also specifically required for authenticating the overwriting present on the cheque.

An affidavit from the account holder in whose account the disputed cheque was deposited was submitted by the Bank. To record his statement and give a fair opportunity to the complainant, we appointed Advisor of this office as Local Commission. The recipient of the amount stated before the Commission that he had not received the questioned cheque from the complainant; rather, it was received from a walk-in customer against some items sold to

him and that on deposit, the cheque was returned thrice for want of verification of account holder's signature supposedly authenticating over-writing in the date. The Bank could not negate the statement of its own witness.

The Bank could not produce any material evidence to prove that the disputed cheque was processed and signature verified strictly in line with operational rules/ requirements for photo account, and it was evident that the Bank had acted negligently while dealing with and paying the cheque of the complainant. The complaint was granted and the Bank asked to credit the amount of the cheque to the complainant's account. The Bank confirmed compliance.

Case 7: The complainant was in transport business and imported auto spare parts. On August 18, 2010, he issued a cheque for Rs.165,000/- favouring M/s ABC, but the next morning at 8:50 am, he submitted an application to his Bank requesting for stop payment of the cheque. According to the complainant, while the concerned Bank officer marked his stop payment instructions in the system well in time and debited stop payment charges of Rs.232/- to his account, yet the Bank ignored the instructions and released payment. Upon his protest, the Manager of the Branch accepted the mistake of the Bank but did not compensate him. He therefore made a formal complaint.

The Bank took the stand that had the account holder instructed for stop payment of the cheque the day it was issued by him, the cheque would not have been cleared. It also maintained that the complainant had issued the cheque to his working partner and he should ask the payee for refund of cheque as the Bank suspected that being partners, he might have received the amount from the payee. However, in the hearing that followed, the Bank admitted that the cheque was passed overriding the instructions as due to a flaw in the Bank's IT system, stop payment instructions could not be updated to the CPU on real time basis and the CPU having no clue afforded credit to the collecting bank against the disputed cheque.

The complainant stated under oath that he had no partnership with the payee, M/s ABC. He explained that at that time, he had entered into an agreement with the company but after he handed over the disputed cheque representing a registration fee on the afternoon of August 18, they failed to arrange his meeting with the CEO of the company. According to him, it made him skeptical of the deal in the offing, and with no time to get back the cheque, he submitted a stop payment application the next morning. The partnership deed of the payee company also proved that the complainant had no concern with the company. Further, a perusal of the NIFT sheets showed that the cheque was enrolled in the list for collection at 23:42:50 on August 18 and cleared the next day and no procedural flaw was noticed in its processing for collection.

The purpose of stop payment instructions is to forbid the Bank from encashing a stopped cheque, and it is the duty of the Bank to carry out the instructions of their customers. An examination of relevant documents established that stop payment application was received at the Branch on August 18 at 8:50 am. The dealing officer duly marked caution and charged stop payment charges from the complainant's account, showing him the record where stop payment caution was recorded and marked. Even then, the cheque was passed around 9:45 am when presented in clearing. The Bank was thus found guilty of negligence. The complaint was granted and the Bank directed to credit Rs.165,000/- to the complainant's account. The Bank complied with the order.

Case 8: On February 19, 2011, the complainant received a statement of a particular loan facility (Qarze Hasna) from Bank K showing an outstanding amount of Rs.8,000/- in his name. The complainant stated that he neither availed nor qualified for the particular loan facility and had also never applied for opening an account in the Bank Branch.

The Bank, however, stuck to its position that it could not issue any loan unless specific request had been made by the borrower, and that according to its record, the loan account was opened in 1996 under the complainant's computerised national identity card (CNIC) copy. The BMP repeatedly asked the Bank to provide copies of loan documents including the borrower's account opening form and specimen signature card, loan approval letter complete with the application, agreement and repayment schedules, and details of the beneficiaries. However, the required documents were not furnished by the Bank.

After repeated reminders, the Bank finally concluded that the referred account did not pertain to the complainant, and that the complainant had no outstanding liability with the Bank. The Bank admitted that due to "some human error", the complainant's name was recorded in the Bank's computer system, and regretted the delay in complaint resolution owing to the specific problems associated with tracing the physical record of an account opened 15 years ago.

Case 9: The complainant maintained an account with the Bank since 1988. In 2008, when he went to the Bank to deposit cash for Rs.260,000/-, two Bank officers tried to persuade him to instead open accounts in the name of his two sons and deposit the amount in those accounts. The complainant was initially reluctant to do so but at last got convinced to deposit Rs.100,000/- each in the account of his two sons and the remaining amount in his own account. According to the complainant, the officers completed the documentation by obtaining thumb impressions and CNIC copies of his sons. However, in 2009 when he visited the Bank to withdraw cash, he was shocked to know that on the basis of the documentation

undertaken for account opening, the Bank had opened one new account only and issued an insurance policy in the name of his other son, appropriating Rs.100,000/- towards insurance premium. Besides, his old account was also closed and the credit balance shifted to a new account in his name without his consent or knowledge.

The complainant denied having ever agreed to take out an insurance policy, and, indeed, had no knowledge of its existence. After pursuing the matter with the Bank for three years with no result and the Bank instead demanding payment of the accumulated premium, the complainant lodged a claim demanding refund of Rs.100,000/- taken away by the Bank as premium of the policy.

When this office took the matter with the Bank and asked it to submit a detailed report along with copies of relating documents, the Bank undertook an investigation and finally concluded that the insurance policy was in fact wrongfully forced upon the customer. The Bank got the insurance policy cancelled and refunded to the complainant the premium amount wrongfully taken away by it earlier.

Case 10: The complainant maintained an account with the Bank for the last ten years. In November 2008, the Bank announced a specific deposit scheme with a higher profit rate. The complainant approached the newly opened branch of the Bank close to his residence and requested the concerned Relationship Manager (RM), Mr. K, to convert his old savings account to the deposit scheme account. According to the complainant, he completed all the formalities and documentation as advised by the RM who himself filled his application form and checked the column "Zakat Not Applied for". An attested copy of the complainant's affidavit on form CZ-50 for non-deduction of Zakat was already in the Bank's record.

On August 7, 2009, the complainant submitted another attested copy of the affidavit (CZ-50) when advised by the Bank over telephone. The complainant maintained that he submitted the affidavit to another Relationship Manager, Mr. L, with a request to pass it on to Mr. K as he was not available at that time, and later informed him directly too. However, Zakat amounting to Rs.76,503/64 was deducted from his account on August 11, 2010.

The Bank submitted to us the relevant documents but maintained that it had received the complainant's CZ-50 form for his account, which was opened on November 11, 2008, only after Zakat had been deducted in 2010. From the documents, it was observed that the account opening policy of the Bank, duly signed by the account holder, included the clause that "My application will not be processed until ... [the Bank] has received all the required documentation", which was not followed by the Bank in the context of its plea that it had not received CZ-50 declaration from the complainant despite having checked the column that

Zakat was not applicable.

The Bank had the discretion to decide against the opening of the account in case the complainant had not provided any required document. On the other hand, the complainant had forwarded in support of his contention copy of his CZ-50 form, duly acknowledged by Mr. L. The complainant was an old account holder and the account proved request for non-deduction of Zakat, the Bank already having in its record the Zakat declaration affidavit. As the copy of the affidavit was overlooked or misplaced by its officials and could not be referred to at the time of deduction of Zakat, the Bank was advised to resolve the issue amicably by refunding the Zakat amount it had earlier deducted.

The Bank confirmed compliance.

Case 11: The complainant had opened an account with the Bank in March 2010 to build up a credit balance for obtaining a student visa for higher studies. He states that in August 2010 when he went to the Bank to sign a remittance application, he noticed that a large number of withdrawals had been made from his account without his knowledge, leaving a balance of Rs.50,000/- only. According to him, he had not made any request to the Branch for issuance of any cheque book as he had opened the account only to build up a credit balance for obtaining a visa, but money was withdrawn from his account through cheque books and cheques issued with his forged signatures. He claimed for a refund of Rs.1,627,500/- withdrawn from his account fraudulently.

The Bank declined the complaint and claimed that the complainant had withdrawn the amounts himself and the signatures appearing on the questioned cheques were genuine, matching with his specimen signatures in its record comprising the Account Opening Form (AOF) and the Specimen Signature Card (SS card). To this, the complainant took the stand that the AOF and the SS card had been replaced by the Bank and new record had been created with false signatures purporting to be his.

It is a banking practice mandated by SBP that a copy of AOF is provided to and kept by the account holder. The complainant's side could not produce a copy of the form to prove replacement of the AOF and other documents. Besides, the impression of the SS card is transferred to the computer immediately at the time of account opening; this transfer was made only once since the account was opened. The Bank also provided an affidavit submitted by its Operations Manager according to which a copy of the AOF was duly handed over to the complainant. According to the Bank, the complainant's father, Mr. S, accompanied the complainant at the time of account opening. Mr. S was at that time Area Manager of the Bank with the Branch under his jurisdiction.

The complainant also maintained that he had neither asked the Bank for a cheque book nor was ever issued one, and any and all withdrawals, he asserted, would therefore be through forged cheques from fraudulently issued cheque book(s). Mr. S, however, admitted in one of the case hearings that he had instructed the Operations Manager not to handover his son's cheque book to the then Manager, which showed that he was aware that at least one cheque book had been issued.

Mr. S also stated that a sum of Rs.12,600/- was transferred to his account by the Branch Manager. The Bank's record, however, proved that the complainant transferred the sum to Mr. S's account through a cheque that bore the same signature of the complainant as that on the SS card. Similarly, Rs.150,000/- was transferred from the complainant's account to the account of Mr. S, upon Mr. S's telephonic instructions to the Operations Manager and on the understanding that the complainant would sign the requisite remittance application later on. This was also admitted by Mr. S himself. Similarly, although obtaining signature on remittance application subsequent to transfer of funds is also against banking practice, the fact remains that such an application was subsequently signed, with signatures of the complainant again the same as those appearing on the AOF and the SS card. When confronted with this, it was asserted on behalf of the complainant that both the signatures were forged. No cogent reason could be given as to why anybody would forge the complainant's signature when the money was going to none else than the complainant's father.

The burden of proving that the entire basic record of the Bank had been replaced lay heavily on the complainant under Article 118 of Qanoon-e-Shahadat Order (the Law of Evidence), which he failed to discharge owing to his incredible version of events and inconsistencies in the evidence which contradicted his own version. The complaint was declined.

The complainant filed an appeal with SBP against the order, the decision on which is awaited.

Case 12: The complainant maintaining an account with the Bank stated in her complaint that she invested in a specific term deposit scheme as detailed below:

Deal No.	Start Date	Maturity Date	Amount	Tenure (Years)
1067/0	20-10-2006	20-10-2011	PKR 2 Million	5
1398/0	22-02-2007	22-02-2012	PKR 2 Million	5

According to her, the Bank did not roll over the term deposits, thus depriving her with profit amounting to Rs.223,806/-. She pointed out to the Bank that the deposit confirmation certificates had the following stipulation printed thereon:

"This deposit will automatically be renewed for the like period unless we receive notice in writing to the contrary two clear working days before maturity."

Contrary to the above stipulation, in the term deposit applications a box before the clause quoted below appeared to have been ticked, which the complainant denied having done:

“Upon maturity of the deposit: credit principal along with return to my account.”

The complainant said that these documents were neither shown to her when she made a complaint to the Bank nor their copies were handed over to her at the time she had placed her monies on term deposits with the Bank. With regard to Deal No.1067/0, since marking on any option in the term deposit instructions was not clearly noticeable, the Bank upon our intervention compensated her in the sum of Rs.140,957/- representing the loss and credited her account with that sum.

As per Deal 1398/0, she invested an amount of Rs.2.0 Million on 22-02-2007 for a period of five years having maturity date 22-02-2012. In this deal, she had selected in the term deposit application the option of “credit principal along with return to my account” by ticking a box which is quite visible and due to which the term deposit was not rolled over for another period of five years. The Bank was not prepared to entertain this part of the complaint for the above reason.

However, since the deposit confirmation certificate was issued afterwards with the clause “This deposit will automatically be renewed for the like period unless we receive notice in writing to the contrary two clear working days before maturity”, this clause was deemed by us to override the one in the application she had made.

Furthermore, two authorized officers of the Bank vide letter dated June 25, 2012 had confirmed as under:

“As per the renewal clause mentioned on the deposit confirmation advices, we will make the required amendments in your account and revert within two working days.”

The Bank's contention was that upon insistence of the complainant, two of the officers issued a simple acknowledgment letter. In our view, however, it was not a mere acknowledgment but a firm commitment made by two authorized officers of the Bank. We advised the Bank that taken together, the documents constituted a binding contract for an automatic renewal and the Bank was bound by it.

The Bank was therefore persuaded to disburse the lost profit of Rs.82,849/- on Dec 13, 2012.

Thus, the Bank paid total profit of Rs.223,806/- (140,957/- + 82,849/-) as claimed by the complainant and the matter was resolved to her satisfaction.

Images 2012



Mr. Mansur ur Rehman Khan, Banking Mohtasib Pakistan for the period from May 2, 2009 to May 1, 2012, addressing press conference on the release of BMP Annual Report 2011 (April 18, 2012)



Mr. Aamer Aziz Saiyid, Legal Advisor, BMP, presenting BMP plaque to Mr. Mansur ur Rehman, the outgoing Mohtasib, on the occasion of farewell lunch hosted in his honor (May 8, 2012)



Dinner hosted by Mr. Mansur ur Rehman Khan in the honour of guest Ombudsman from Canada and members of Pakistan Ombudsman Forum in connection with Fair Price Workshop. Mr. Mansur ur Rehman presenting BMP plaques to Mr. Kevin Fenwick, Ombudsman Saskatchewan, Canada (extreme right) and his lead trainer Mr. Jeff Cain (March 29, 2012: Karachi Club)



Federal / Provincial Ombudsmen of Pakistan with Mr. Kevin Fenwick and Mr. Jeff Cain: (from left) Mr. Jeff Cain, Mr. Asad Ashraf Malik (Sindh), Mr. Badshah Gul Wazir (KPK), Mr. Muhammad Shoaib Suddle (Tax), Mr. Kevin Fenwick (Canada), Mr. Mansur ur Rehman, Mr. Muhammad Rashid Khan (AJK), and Mr. Azhar Ali Farooqi (Insurance). March 29, 2012 - Karachi Club



BMP Secretariat team with Mr. Mansur-ur-Rehman Khan (May 8, 2012)

Success Stories

What the Complainants Say

Many complainants from all walks of life write to us upon resolution of their grievances. From a large number of such letters, we have selected a few. These letters are a source of strength and motivation for us.



Ref. No. DT:RP.786.872.12

Date ---27:03:2012-----

IRO,

██████████
 Senior Advisor
 Banking Mohtasib Pakistan
 Karachi

Subject: - Thanks For Resolving Issue of ██████ Credit Card
Division Ref. ██████ of 08th .Dec.2011.

Respected Sir,

I am highly thank full to you & your staff for cooprating me against my complaint for ██████ credit card division.

I know or my ALLAH knows better that when I approach banking Mohtasib after ALLAH SUBHAN ALLAH TALA I fully depended you that you make better decision for me.

GOD gives you & your staff more happiness and GOD bless you & your family.

Thanks & Regard


 Imtiaz Pasha

██████████ Credit Card NO. ████████████████████

NIC # ████████████████████

Headquarters Artillery 30 Corps
Gujranwala Cantonment
Telephone Military [REDACTED]
Case Number [REDACTED]

13 November 2012


To: [REDACTED] ✓
Banking Mohtasib
5th Floor Shaheen Complex M.R. Kiyani, Road
Karachi

Subject: Recovery of Amount – ATM

Your litter no [REDACTED] of 7 Nov 2012 and This Headquarters
Case Number [REDACTED] dated 12 October 2012 refer.

We are grateful for taking early action regarding refund of amount to the
soldier, name "Saeed Iqbal" of this Headquarters, thorough [REDACTED]
and [REDACTED].




Lieutenant Colonel
Officer Commanding
(Sajid Mehmood)

تاریخ
30/01/2012

حوالہ نمبر [REDACTED]
[REDACTED]
بینکنگ محاسب پاکستان

بھاری شکایت متعلق [REDACTED] بینک لمیٹڈ [REDACTED]
برانچ [REDACTED] کراچی

سورہ 20/01/2012 [REDACTED] بینک لمیٹڈ سے بھاری معاملات
افہام اور لفیم سے حل ہو گئے ہیں۔ اور بینک نے 4,50,000/-
چار لاکھ پچاس ہزار روپے میرے اکاؤنٹ میں منتقل
کر دیئے ہیں اب بینک پر میرا کوئی دعوہ نہیں رہا اور
میرے شکایت کا ازالہ ہو گیا ہے۔

بم بینکنگ محاسب کے بے حد مدد و مشورہ ہیں جس کی وجہ
سے بھاری شکایت داخل دفتر کیا گیا۔ اور بینکنگ محاسب
جانب سے بھارا مسئلہ چند مہینوں میں حل ہو گیا اس سے
قبل ہم دو سال بے عمل رہے۔

محمد حسین ولد محمد سلیمان
[REDACTED] - [REDACTED]
CNIC # [REDACTED]

محمد حسین

IDEAL RECRUITING AGENCY

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Web page: http://www.ideal90.com



آیدیل

وكالة توظيف الأيدي العاملة

رقم الرخصة، أم بي دي / 0915 / آر دبليو بي / 90

بناية بوتوهار - شقه رقم 8 أ

7 طابق، ميزانين، بليو ايريا - اسلام آباد - (باكستان)

تليفون 2877478 - 2277971 فاكس 2277971

البريد الالكتروني

18th May, 2012.

Banking Mohtasib Pakistan,
5th Floor Shaheen Complex,
M.R.Kiyani Road,
Karachi.

Subject:-Dispensation of Complaint # [REDACTED]

Honourable Sir,

While acknowledging the receipt of your letter dated 9th May, 2012, the undersigned would like to thank you and your institution for securing the funds of a trust. As far as the financial aspect of matter is concerned, no doubt it has come up to my satisfaction. Hopefully your institution has done whatever was his prerogative.

I remain thankful to the current office bearers of this institution and the team headed by honorable current Mohtasib, in which the institution is vested. No doubt it is a team work and Captain plays an important role for winning the matches with his teammates.

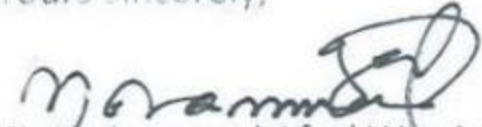
I cannot control my sentiments in an environment/society where merit and justice has become a dream.

Those who are still dispensing the justice with the fear of God and in accordance with the ruling of Allah Almighty as he reveals in the Holy Quran" FAHKUM BAAN ANNAS BILADDIL" (When you decide something amongst the people, do it with justice).

In the end a lot of prayers to those who studied the case with utmost intension and done the justice for Allah to let the humanity survive in accordance with the will of Allah Subhanho Wa Tala.

Thanking you very much in anticipation; I remain.

Yours Sincerely,


Ch Muhammad Afzal Wacriach



Ref: [REDACTED]

Dated: February 16, 2012

Mr., [REDACTED]

Advisor,

Banking Mohtasib Pakistan,

Banking Mohtasib Secretariat, Karachi.

Subject: SORT OF RAVE ABOUT

Respected Sir,

Honesty & integrity will remain alive till the day of judgment & couldn't be defeated by the bestial behaviours. Honest, dedicated & fare peoples, departments are still striving their best in order to provide the instant, even handed justice, remedy to the human kind in this onrushing ocean of time that's why, **LIFE STILL EXISTS ON THIS PLANET WITH ALL ITS DIGNITY & WILL REMAIN ALIVE WITH ALL ITS GLORY.**

Context to the letter from your honourable office bearing ref: [REDACTED] dated: January 26, 2012 regarding provide us the remedy in order to collect the original documents of property from [REDACTED] Bank Limited, Township branch Lahore.

In the light of your kind directions, we've visited the branch & got collected our property documents as well. We cordially eulogize for your kind & instant support in this case as, due to your kind considerations, we've got so quick & positive response from the bank. Without any hyperbolic delineation, we would state that our Country's existence is due to proper, dedicated & honest functioning of very few departments apex with the Banking Mohtasib Pakistan.

We again & again thank full to you for your kind & level best cooperation in above case & wish that all other departments of our beloved Country may God, be blessed with the same spirit & enthusiastic approach.

Thanking you for your kind anticipations


Hafiz Mahmood Ahmad Shad,

House # 35/M, Madina Colony Vehari.

From the desk of

S. Nasim Haider

Rtd. Member Board of Revenue
Sindh (BPS-21) &
Ex-Advisor Honourable Ombudsman - Sindh.

22/10/2012

Hon. Banking Mohtasib,
Pakistan

Ref: [Redacted] & [Redacted]
(from [Redacted] Advisor).

Yours Honour!

I and my wife (Mrs. Shahar Bano - the complainant) are most grateful to you for your kind, prompt action in the matter resulting in delivery of the pay order concerned.


Although the respondents failed to show proof of return of the same by us - all is well that ends well.

I am happy for Pakistan because in the words of Allama/Iqbal ^{Hali}
 "وہی ہے جو ہے، وہی ہے"
 "وہی ہے جو ہے، وہی ہے"

As long as justice is done the country / nation shall survive.

Thank, again,

Yours faithfully,

 Mr. & Mrs. Nasim Haider
S. Bano

Residential Address:

703-A, West Point Towers, Phase-II Ext) DHA, Karachi. Phone: 35887073-67

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

عالیٰ جناب گرامی قدر صد اجتراماً محترماً
ایڈوائزر بینکنگ محنتیب پاکستان ،

جناب عالی ! میں نے بینک [REDACTED] کے خلاف
آپ کے دفتر میں شکایت درج کروائی
تھی جسکی رجسٹریشن نمبر [REDACTED]

ہے۔ میں جناب اور جناب کے اسٹاف،
ادارے کے کابے حد مستکور، ممنون ہوئے
جناب کی کاوش سے میرے ساتھ لگی
زیادتی کا ازالہ ہو گیا ہے اور میری رقم
میرا اکاؤنٹ میں آگئی ہے
میں تاحیات جناب کی درازی عمر کیلئے دعاگو
رہوں گا۔ اور اللہ رب العزت سے
دعا ہے کہ جناب کا اقبال بلند ہو :

محمد آصف۔ مکان نمبر 1354/2۔ عزیز آباد B-4۔ ایریا کراچی
L.O. وفاقی محنتیب سیکرٹریٹ R/o۔ بلڈنگ B-4
پاکستان سیکرٹریٹ ہلدی کراچی ،

FROM : MULLER-PHIPPS

FAX NO. : 02135377846

Nov. 29 2012 02:00PM P1

fax # 992 17375 / 322 10735

██████████
Advisor
The Banking Mohtasib
5th Floor, Shaheen Complex
P.O Box 604
M.R Kiyani Road, Karachi
29th Nov 2012.

Sub: Thanks!!

Dear Mr ██████████

I take this opportunity to thank you in solving my problem and getting reimbursement of US \$ 123 against the amount of \$168.

██████████ Bank finally accepted their mistake and return the wrongly charge conversion fee. I therefore would like to drop the charges against ██████████ Bank. This would not have happen without your sincere efforts. May Allah bless you and your department.

It's a good (unfortunately rare) example in Pakistan. Also, hearting to see someone beside Supreme Court working for the nation. I would be sharing the example with others.

Thankyou again

Yours sincerely



Mirza Sajid Baig

Complaint # ██████████

Address: A-142 Block "J" North Nazimabad, Karachi 74700. Pakistan
██████████



GLOBAL SEAFOOD MARKETING

20 E (Ground+1), Lane 12,
Phase II Extension, DHA, Karachi Pakistan.
Tel :+92 (21) 35311753-56 Fax :+92 (21) 35311757

DATED: 22nd February, 2012

Ref: GSM/BM/786/22022012/1

TO;

Mr. [REDACTED]

Advisor - Banking Mohtasib
Pakistan Secretariat 5th Floor
Shaheen Complex, MR Kiyani Road,
Karachi - Pakistan.

SUBJECT: LETTER OF APPRECIATION FOR COMPLAINT AGAINST [REDACTED] BANK CREDIT CARD
DIVISION (REF: CREDIT CARD NUMBER [REDACTED])

Dear Sir;

First of all I am really thanking you very much and writing this letter to express my sincere appreciation and gratitude for all professional services rendered for my complaint lodged with Banking Mohtasib dated 27th January 2012 against [REDACTED] bank for charging unnecessary late payment fees on my Credit Card.

Your rapid and professional response has impressed me the most and your efficient and experienced services had made it possible for the all the entrepreneurs to continue their business for the sake of Pakistan.

I extremely appreciate your concern in this regard and pray to Almighty God to bless all the peoples who use their efforts for the sake of Pakistan.

THANKING YOU,



MOHAMMAD FAISAL

E-Mail: info@globalseafoodmarketing.com
URL: www.globalseafoodmarketing.com

13.6.2012

Ref: [REDACTED]

07.6.2012

Letter of Thanks

Esq. [REDACTED]

Assalam-o-Alaikum.

with reference to my referred complaint, the matter have been resolved by the concerned authorities only with the help of Banking-Mohtasib. I am very grateful to you for the same.

Kindly convey my message of thanks to

[REDACTED] of [REDACTED]

Regards.

Juzayif
13/6/12

Syed Aminuddin
R-43, Maaz Town
Malir

[REDACTED]



**PUNJAB
AUCTIONEER**

LAHORE, SAMBRIAL, FAISALABAD, MULTAN & QUETTA COLLECTORATE OF CUSTOMS AND DIRECTORATE OF INTELLIGENCE & INVESTIGATION (PUNJAB & QUETTA)

Muhammad Akram

M.A., L.L.B., D.L.S., C.Com.
Ex. Admin Officer, Punjab University.

Proprietor,
APPROVED CUSTOMS AUCTIONEER.

(REGISTERED)

Dated: 17-11-2012

██████████
Senior Advisor,
Bankig Mohtasib Pakistan,
M.R.Kayani Road,
Karachi.


Subject: REDEMPTION OF LF No. ██████████ For rs.50,000/-
TITLE OF ACCOUNT "██████████"

Dear Sir,

Reference Complaint No. ██████████, I am grateful to you for the cooperation and efforts made for resolving my grievance for releasing the cash margin against L/G ██████████ for Rs.50,000/-.

Thank you once again.

Yours Sincerely,


17/11-2012
(Muhammad Akram)
Proprietor

محرمیت جناب
 [Redacted]
 بینکنگ محتسب پاکستان سیکرٹریٹ
 شاہین کمپلیکس - کراچی -

عنوان: شکرائے کا خط (تہنیت)

جناب عالی - السلام علیکم -

آپ کا خط بحوالہ [Redacted]
 مورخہ 24 جولائی 2012ء موصول ہوا -

آپ کے جواب کا بہت شکریہ - زندگی میں پہلی
 بار قومی زبان اردو میں خط کا جواب وصول
 کر کے دل مسرت اور خوش ہوئی -

آپ کے جواب کا مقدر شکریہ اور اترتے ہوئے
 نئی فوائسٹن کے ساتھ - خیر و برکتیں

محمد بلال

آپ کا مخلصی

محمد بلال مکان نمبر 34/4
 گلخرا - محلہ لیاقت آباد
 گورنمنٹ

تاریخ: 2012-08-08

FROM : SHAHBAZ PCO

FAX NO. : 0235800027

Mar. 13 2002 11:33PM P1

جناب
 ایڈوائزر بینکنگ محاسب پاکستان

جناب اعلیٰ :
 جیسا کہ میں نے وطن کارڈ کے سلسلے میں 13/12/11
 کو شکایت درج کروائی تھی کہ میرا وطن کارڈ نمبر
 [REDACTED] کمیشن نہیں ہو رہا تھا۔
 آپ کی مہربانی سے سائیکل میں مجھے ڈپلیکیٹ کارڈ نمبر
 [REDACTED] جاری کیا گیا جو باآسانی
 کمیشن ہو گیا ہے۔

میں آپ کا نہایت ہی مشکور ہوں کہ آپ نے میری
 مدد کی میں ہمیشہ آپ کا دعاگو رہوں گا۔
 زیادہ ہمدرد۔


 محمد اسحاق ولد عبدالغفور

تاریخ = 22/01/2012

ساکن گھر نمبر 172، وارڈ نمبر 7، مٹھی کھوپڑی روڈ سائیکل

NIC# [REDACTED]

CELL- [REDACTED]

[REDACTED]

From: Dr. Jalil Aslam [dr.jalilaslam@hotmail.com]
Sent: Wednesday, June 20, 2012 3:22 PM
To: [REDACTED]
Subject: RE: 1st HEAVY COMPLAINT: MR. IMDAD(Branch Manager) [REDACTED] (Assistant Branch Manager), [REDACTED] (Operation Manager) MOONMARKET BRANCH ,ALLAMA IQBAL TOWN, LHR

Dear [REDACTED],

I am amazed yet delighted at such a prompt and detailed response to my complaint. I really appreciate that you have addressed my grievances diligently. This speaks volumes about your insight into the dynamics of marketing in establishing good customer relations in the bank which obviously is mandatory for a healthy professional working environment. People like you can bring a big positive change in our society.

REGARDS

DR. JALIL ASLAM

PAKISTAN ZINDABAD

O B I T U A R Y

Mr. Ashraf Ahsan Mozaffar



Mr. Ashraf Ahsan Mozaffar, our Senior Advisor, passed away on December 20, 2012. Overseeing the portfolios of HR, Administration, and Finance, he worked with his trade mark devotion and sense of responsibility till the last day of his life. He is survived by his two sons and grand children.

Mr. Ashraf Mozaffar started his career in HBL in 1964 and after 41 years of service and working at different responsible positions, he retired as Executive Vice President of the Bank. He joined Banking Mohtasib Pakistan on April 28, 2008.

A large number of people including BMP staff attended his funeral. Condolence meetings in his memory were held at Banking Mohtasib Secretariat and Regional Offices. Mr. Ashraf Mozaffar will be missed and fondly remembered by all his colleagues and all those who knew him.

May Allah rest his soul in peace and grant him an eternal place in paradise. Amen.

Contact Details

For any information or enquiries, please send your emails at info@bankingmohtasib.gov.pk or write to us at the Karachi Secretariat address given below. Please note that BMP Regional Offices are located in Quetta, Peshawar, Lahore, Rawalpindi, and Multan, but the complaint-handling process has been centralized at BMP Karachi Secretariat and all complaints are received there.

Details including complaint filing procedure, printable complaint form, and FAQs are also available at our website www.bankingmohtasib.gov.pk.

Addresses and contact numbers of all our Offices are:

Karachi Secretariat

Banking Mohtasib Pakistan Secretariat
5th Floor
Shaheen Complex
M R Kiyani Road
Karachi

Telephone: 021-99217334 to 38 (5 lines)
Fax: 021-99217375

Quetta Regional Office

Office of the Banking Mohtasib Pakistan
C/o SBP Banking Services Corporation (BSC)
State Bank of Pakistan
Shahrah-e-Abbas Ali
Quetta

Telephone: 081-9203144
Fax: 081-9203145

Lahore Regional Office

Office of the Banking Mohtasib Pakistan
C/o SBP Banking Services Corporation (BSC)
State Bank of Pakistan
Shahrah-e-Quaid-e-Azam
Lahore

Telephone: 042-99210444
Fax: 042-99210421

Rawalpindi Regional Office

Office of the Banking Mohtasib Pakistan
C/o SBP Banking Services Corporation (BSC)
State Bank of Pakistan
The Mall
Rawalpindi

Telephone: 051-9273252
Fax: 051-9273253

Peshawar Regional Office

Office of the Banking Mohtasib Pakistan
C/o SBP Banking Services Corporation (BSC)
State Bank of Pakistan
Saddar Road
Peshawar

Telephone: 091-9213438
Fax: 091-9213439

Multan Regional Office

Office of the Banking Mohtasib Pakistan
C/o SBP Banking Services Corporation (BSC)
State Bank of Pakistan
Kalma Chowk
Multan

Telephone: 061-9201482
Fax: 061-9201481

we function as
a closely-knit
team and take
collective
responsibility
for individual
decision
making