**Department of
Financial Services**
(Banking Division)

QCI

Grievance Analysis & Systemic Reforms Recommendation

GRIEVANCE DATA ANALYSIS PROJECT

(Objective & Outcome)

Context

Department of Administrative Reforms & Public Grievances (DAR&PG) administers a public grievance portal - Central Public Grievance Redress and Monitoring System (CPGRAMS). This is a portal where the citizen can register his/her grievances pertaining to any of the 94 Central Government Departments/Ministries.

This portal receives ~3,00,000 complaints annually across the 94 Departments/Ministries and the number of grievances registered has gone up from 1,32,751 between May 2014 to September 2014, to 4,66,406 in the same period, i.e., from May 2015 to September 2015, due the Prime Minister's personal interest.

The grievances received on the portal are rich data points, especially in terms of the type of reforms (administrative and policy) that would create maximum positive impact on the citizens.

Objective

The objective of the diagnostic study undertaken by the Quality Council of India, as per the mandate given by DAR&PG, was two fold:

1. Grievance Data Analysis (in bold): Analysis of the grievances being received by the respective Departments/Ministries on CGPRAMS and identification of key issues

2. Systemic Reforms Recommendation: Identifying key systemic reforms that can be implemented to resolve these issues
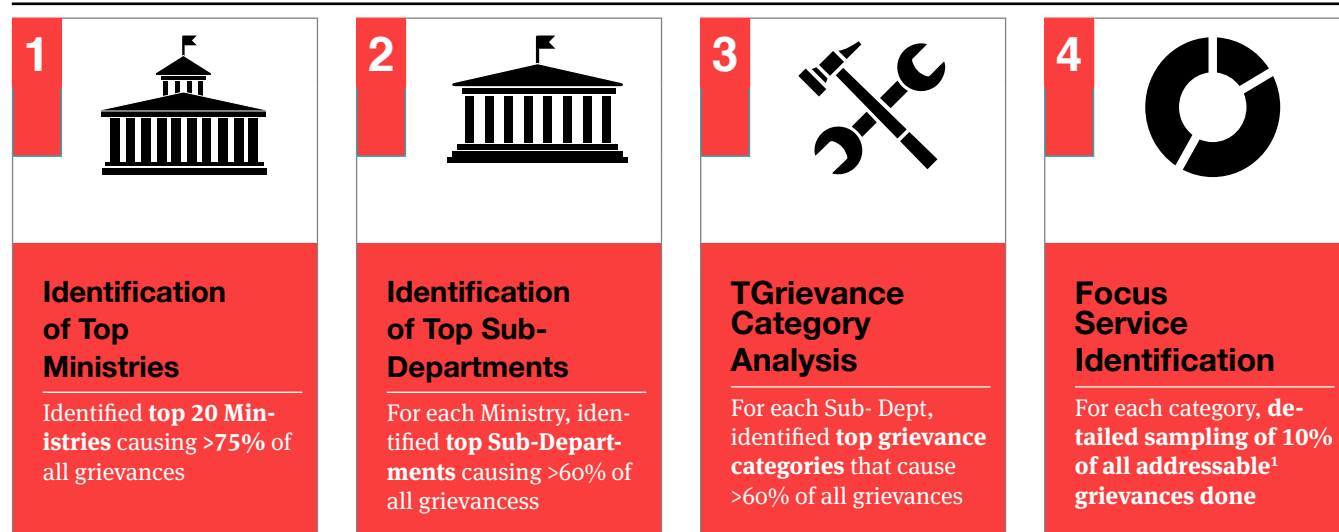
Approach

To ensure that the above objectives are achieved, a 3 point approach has been used, which has been detailed below:

1. Data analysis of the grievances across top 20 (based on number of grievances received) prioritized Ministries with a structured approach which has been detailed in the diagram below.

Data Analysis Process for all Ministries
Focus on identifying services that cause maximum number of grievances

1	**2**	**3**	**4**
Identification of Top Ministries	**Identification of Top Sub-Departments**	**TGrievance Category Analysis**	**Focus Service Identification**
Identified **top 20 Ministries** causing **>75%** of all grievances	For each Ministry, identified **top Sub-Departments** causing **>60%** of all grievancess	For each Sub- Dept, identified **top grievance categories** that cause >60% of all grievances	For each category, **detailed sampling of 10% of all addressable[1] grievances done**

2. Root cause analysis of the above grievances in conjunction with the respective Departments/Ministries, explained in detail on page 7.

3. Systemic and structural changes reform recommendations after discussions with the Department/Minsitry based on learnings from global and domestic best practices

Identification of the top 20 Department/Ministries for initial focus of efforts

The first step of the effort, as per the approach mentioned earlier, is the identification of the top 20 Ministries, which has been done based on the number of grievances being received by the particular Department from 01.01.2012 to 19.08.2015. The findings have been summarized in the table below and for the scope of this particular report we will be focussing on the Department of Financial Services (rank 3).

List of top Ministries/Departments based on combination of quality parameters							
		No. of Grievances recieved		No. of Grievances pending (> 12M)		No. of Grievances pending (6M - 12M)	
Overall Rank	Ministry	Rank	No. of Grievances	Rank	No. of Grievances	Rank	No. of Grievances
1	Department of Telecommunications	1	161,014	13	11	11	126
2	Ministry of Railways (Railway Board)	2	76,776	3	878	2	1,750
3	Department of Financial Services (Banking Division)	3	65,095	16	-	13	43
4	Ministry of Home Affairs	4	41,443	11	47	12	73
5	Central Board Of Direct Taxes (Income Tax)	5	38,825	5	381	9	200
6	Department of Higher Education	6	34,594	2	1422	1	2,143
7	Ministry of External Affairs	7	30,780	16	-	17	-
8	Department of Posts	8	27,552	14	9	15	17
9	Department of Health & Family Welfare	9	27,552	10	52	10	160
10	Ministry of Petroleum and Natural Gas	10	26,836	7	83	8	447
11	Ministry of Labour and Employment	11	25,835	16	-	17	-
12	Department Of Defence	12	25,423	1	1877	6	744
13	Department of School Education and Literacy	13	23,862	8	68	3	1,114
14	Department of Personnel and Training	14	21,681	12	12	16	14
15	Ministry of Road Transport and Highways	15	20,660	6	198	4	984
16	Ministry of Urban Development	16	15,187	4	400	7	459
17	Department of Justice	17	13,879	16	-	17	-
18	Central Board Of Excise and Customs	18	12,698	15	3	14	27
19	Department of Revenue	19	12,616	9	64	5	954
20	Department of Ex Servicemen Welfare	20	12,062	16	-	17	-

SOURCE: DARPG Data (01-01-2012 to 19-08-2015)

Focusing on these 20 ministries/departments will target ~73% of the overall grievances in Central Govt.

DEEP DIVE ANALYSIS

Introduction

The Department of Financial Services (DFS) operates as a part of the Ministry of Finance. It covers the functioning of Banks, Financial Institutions, Insurance Companies and the National Pension System. The various functions covered in the Department are

(1) Pensions Reforms & Insurance (Life & Non-Life segments of insurance & others) ,

(2) Institutional Finance (MSME lending & financing of priority sectors),

(3) Financial Inclusion (Mobile Banking, Agricultural Credit & others) and

(4) Banking Administration (Appoints of Chief Executives & Directors in Public Sector Banks & others)

DFS also interfaces with banks in the country. Specifically for grievances, the DFS evaluates and monitors grievances received against banks in the country. DFS ensures that grievances lodged against banks are resolved efficiently and effectively.

Given that banking is a critical component of the economy, and consumers across the country depend on efficient banking, it is imperative that DFS is able to handle grievances efficiently and effectively.

Identification of top Sub-Departments

As per the methodology mentioned above, the first step was to break the grievances down in terms of the sub -departments it was being forwarded to.

These sub-departments have been defined as per the officer-in-charge who it is forwarded to within the Department/Ministry, as defined by the respective Department/Ministry.

For the Department of Financial Services (Banking Division), the sub-departments receiving maximum number of complaints have been defined by service/responsibility of that organization. The highest grievances have been received by the State Bank of India (SBI) (account for 26% of grievances) (as defined by the Ministry), and the next high-
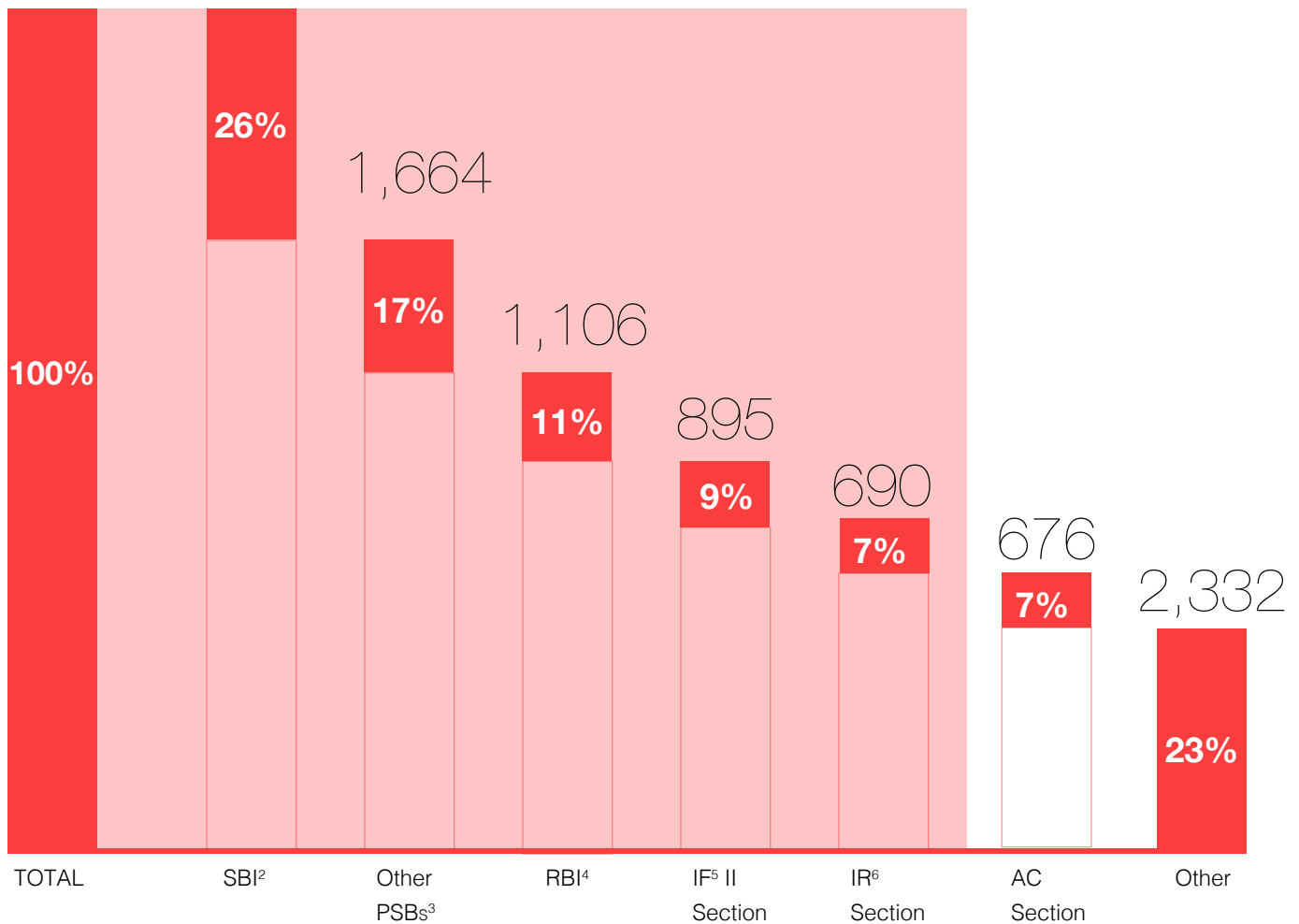
est grievances received by other Public Sector Banks which include (Punjab National Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India) - accounting for 17% of all grievances.

The figure below depicts the sub-departments that receive the maximum number of grievances for this particular department, and a detailed category wise analysis for the sub-departments is shown below. The top 5 departments, namely SBI, Other PSBs, Reserve Bank of India, IF - II Section, and IR Section and these account for ~65% of all grievances and have the grievances received by these sub-departments have been analyzed further.

Categorized grievances received by Sub-Departments[1]

Focus Services

	10,026	2,663	1,664	1,106	895	690	676	2,332
	100%	26%	17%	11%	9%	7%	7%	23%
	TOTAL	SBI[2]	Other PSBs[3]	RBI[4]	IF[5] II Section	IR[6] Section	AC Section	Other

1 All grievances reported between 01/04/2015 & 31/08/2015 across all touch points
2 State Bank of India
3 Other PSBs – Punjab National Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India
4 Reserve Bank of India, 5 Industry Finance II, 6 Industrial Relations

SOURCE: DARPG data

Identification of Focus Service

The next step as defined in the process earlier, is to grievance-by-grievance analysis for a sample of the grievances received by the top sub-departments, namely, SBI, Other PSBs, Reserve Bank of India, IF - II Section, and IR Section (as per the ministry definition of the sub-departments the grievances are forwarded to). For the purpose of the study we have consolidated sub-departments like Punjab National Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India etc. as other PSBs.

For the Department of Financial Services (Banking Division), the top recur- ring addressable issues across the sub-departments have been summarized below in the table.

The top most issue for the Ministry are the issues with gap in pension implementation (specifically pertaining to Public Sector Banks) which accounts for 39% of all addressable grievances, followed by loan processing and payment issues which accounts for 20%. The specific details of these two type of grievance issues and the other grievances issues have been detailed out in the table below.

Top 3 services identified to focus on for root cause analysis

Focus services for deep dive

Top Grievance Causing Services (QCI defined)	Impact %[1]	Details
1 Pension implementation gap (PSBs)	39%	Pension installments not being paid on time Gap in family pension implementation Delay in transfer of pension accounts
2 Loan processing and payment issues (PSBs & Pvt. Banks)	20%	Documents submitted as per regulations, but loan not being processed Money not being disbursed despite loan being approved Loan payment policies not followed Loan collaterals not being returned, despite loan amount being settled
3 New schemes implementation (PSBs & Pvt. Banks)	6%	Gap in implementation of new schemes like Atal Pension Yojana, Sukanya Samriddhi Yojana
4 Payment of allowances, arrears	4%	Arrears, allowances not being paid on time Revised amounts for allowances not being implemented

1 Impact is defined as a fraction of all addressable grievances - those that can be solved through administrative

Conclusions

For the focus services identified, the ones that are addressable and with maximum impact have been selected for further analysis. For the given department, the top grievance causing services is chosen for further deep-dive and root cause analysis, which is - pensions issues, loan processing and payment issues, and new schemes implementation

Post discussion with the Department, these issues have been de-prioritized though because of the lack of jurisdictory power with the Department. Instead, an analysis and study of the best practice for a public grievance portal and the relevant suggestions have been done, for quick and quality redressal of the grievances.

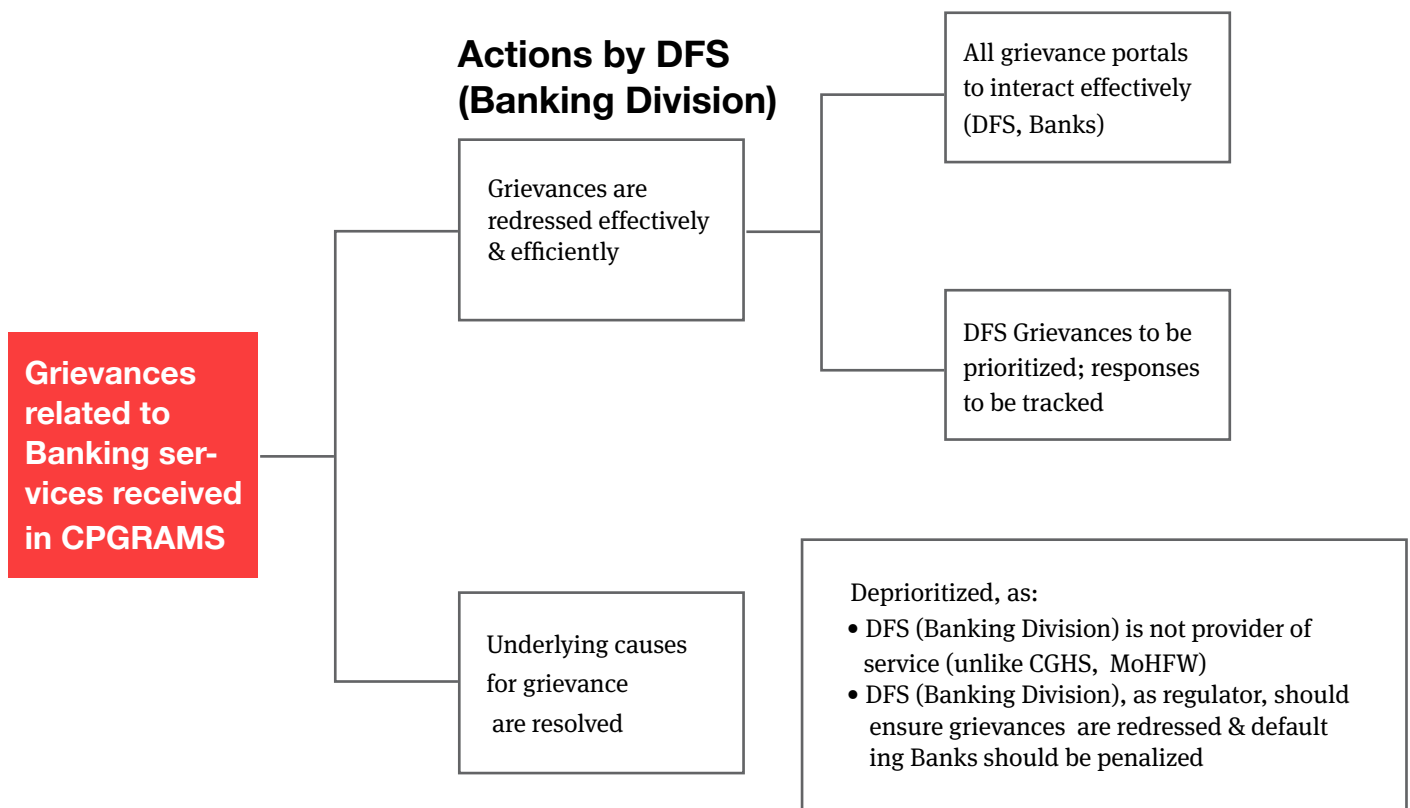The following section details the process flow for the the procedure followed for coming up with systemic reforms for each one of the service issues.

Focus primarily on grievance redressal & regulation for DFS (Banking Division) through CPGRAMS

As mentioned in the conclusion on the previous page, the grievances that are received by the Department of Higher Education, can be segregated into two types, (1) Addressable grievances, (2) Non - addressable grievances.

For the purview of the Department of Financial Services (Banking Division), the implementation of the services do not fall under the jurisdiction of the Department and lies with the respective bank. As a result, it is very tough to provide systemic reforms for the Department, and hence it is important for the Department to ensure timely and quality redressal of grievances.

In order to ensure a proper grievance redressal process, it is important that the grievance redressal mechanism itself is improved, be doing a thorough study of the best practices followed in private sector or other government bodies for redressal of grievances.

Actions by DFS (Banking Division)

Grievances related to Banking services received in CPGRAMS

Grievances are redressed effectively & efficiently

All grievance portals to interact effectively (DFS, Banks)

DFS Grievances to be prioritized; responses to be tracked

Underlying causes for grievance are resolved

Deprioritized, as:
- DFS (Banking Division) is not provider of service (unlike CGHS, MoHFW)
- DFS (Banking Division), as regulator, should ensure grievances are redressed & default ing Banks should be penalized

GRIEVANCE PROCESS REFORM DESIGN

The grievance redressal process, is one that is of utmost importance, as it is a sign of dissatisfied customers, and it is of utmost importance to ensure customer satisfaction.

Hence, in order to ensure that, it is important to have robust and efficient grievance redressal mechanism, which is of extreme importance to the governing authorities.

The key components of a quality grievance redressal mechanism are:

1. Input of grievances should not only be user-friendly, but also identify the right stakeholder for redressal

2. The grievances should be treated with criticality, and with importance, as it is a sign of a dissatisfied customer

3. The grievance redressal process should be efficient and should lead to quick redressal

4. A management system in place, to ensure that each one of the stakeholders responsible for grievance redressal ensures that they ensure quality redressal, and this is tracked on a regular basis.

The following table details out the various aspects that need to be considered for each one of these points, and the corresponding best practice followed in that matter.

Improvements in grievance addressing mechanism

Issues	Present state	Proposed solution	Best practices
Input of grievances by citizen	Input categorization not citizen friendly All inputs categorized as grievances	Citizen can choose from list of top issues, banks Input categorization as Query, Suggestion or Grievance	
Criticality of grievance	PMO grievances not flagged as important or treated with criticality	Tracking of responsiveness of banks; slow redressal to be flagged and addressed	
Delay in forwarding of grievances	Manual forwarding of grievances to the respective PSBs, RBI (in case of Pvt.Banks)	Auto-forward to based on input (of banks) chosen by citizen	CPGRAMS auto-forwards complaints if Ministry is input
Accountability of Banks	Disposal report submitted by pvt. banks	Regular tracking, monitoring of customer satisfaction (of redressal), responsiveness Meeting with all banks to discuss tracked parameters	
Interaction of portals	CPGRAMS & most respective-Banks portal not interacting with each other interally	CPGRAMS complaints to be transferred to internal portal for resolution; closing report to be filed on CPGRAMS	

A well designed portal for citizens is required to ensure efficient grievance redressal; examples of changes suggested below

The key to a well designed grievance portal is to ensure that the right type of input is asked from the customer, the citizen in this case.

The two important categorization levels required at the input level are as follows:

1. Issue type: It is important to understand the difference between as 1) Suggestions, 2) Queries, and 3) Complaints. A provision of a portal for reaching out to the higher authorities is inevitably used for any of these, and also RTI in case of India.

It is important to segregate this at the beginning, as the redressal of each one of them is separate from the other.

2. Grievance issues: The categories of grievance causing issues that are provided at the portal, should be specific to the grievance causing services, and the top recurring services rather than just generic categorization, and it should be specific to that particular Ministry/Department.

Another important activity to be conducted is acknowledgement of the grievance that has come in. A standard protocol followed by private sector customer care cells is to acknowledge the same by sending a confirmation over mail and through SMS.

Sample: Dept. of Financial Services Complaints Portal

Optimal grievance categorization

- Categorization specific to grievance causing services
- Option for Miscellaneous category to make list comprehensive

Intuitive user input design

- Allows citizens to define the specific issue to minimize effort for employees to categorize & forward
- Employees to focus on redressal rather than responding

The portal for collecting the grievances from the citizen should be both, citizen friendly and intuitive to use. It is imperative to understand, that the citizen does not know what his problem is, and giving a free-text option instead of an objective list from which the citizen can chose from, makes it tougher for redressal.

As mentioned earlier as well, the categories for grievances facing the citizen on the portal should also be more oriented towards the services offered rather than a set of generic categories.

A re-designed version of the portal has been shown below, as per learnings from the private sector for making the website-citizen friendly and intuitive, and contrasted with the original version of the website

Portal should be citizen-friendly & intuitive: Current Portal

Portal should be citizen-friendly & intuitive: Redesigned Portal

CPGRAMS - Dept. of Higher Education (Sample)

Insights

The portal has been re-designed as a sample for the Department of Higher Education, and the two key insights to be taken away from this new portal is that:

1. Categories are relatively more citizen-friendly (not showing Technical Education, Higher Education etc.); all forwarding is done in back-end

2. Citizens can choose from list of top recurring-issues; top 6 issues are shown (Delay of Fellowship is ~25% of all grievances), remaining can be categorized as 'Others'

Disposal rate inadequate measure of quality of redressal process so NPS and timely redressal must be tracked

In order to ensure that grievances are tracked and redressed on time, it is important to have a report or dashboard that can not only take a stock of the number of grievances being received, redressed and also track the quality of redressal. The current tracking of performance takes into consideration only the disposal rate, and not the quality of disposal, and hence quality of redressal is not being tracked. A sample dashboard has been developed with the following principles kept in mind:

1. A dashboard should track the right metrics of redressal - including both quality and the disposal rate

2. Dashboard should provide a view on the Bureaus or organizations doing well, and those that need improvement on any of the parameters.

A sample dashboard has been shown below based on these principles.

CPGRAMS - Dept. of Financial Services

Financial Services - Quarterly Dashboard (01/04/2015 to 31/08/2015)

	% Disposal	# of pending	# of pending >12 m	Customer Satisfaction	Average Responsiveness
Good	Greater than 95%	Greater than 2000	Greater than 1000	Greater than -5%	Greater than 4 Weeks
Moderate	Between 80% and 95%	Between 600 and 2000	Between 50 and 1000	Between -25% and -5%	Between 8 Weeks and 4 Weeks
Needs Improvement	Less than 80%	Less than 600	Less than 50	Less than -25%	Less than 8 Weeks

Disposal efficiency (%)	1. Of the 29 Banks, 10 are Good, 10 are Moderate & 9 Need Improvement 2. Banks requiring most improvement are: Dena Bank (55%) & State Bank of Mysore (56%)
# of pending grievances	1. Of the 29 Banks, 2 are Good, 11 are Moderate & 16 Need Improvement 2. Banks requiring most improvement are: Maharashtra Bank (10,597), Andhra Bank (10,085) & Dena Bank (10,032)
# of pending > 12m	1. Of the 29 Banks, 18 are Good, 8 are Moderate & 3 Need Improvement 2. Banks requiring most improvement are: National Bank of Agriculture & Rural Development (1,245), UCO Bank (1,245) & Bank of Maharashtra (1,226)
Customer satisfaction	1. Of the 29 Banks, 1 are Good, 1 are Moderate & 18 Need Improvement 2. Banks requiring most improvement are: Canara Bank (-36%) & Bank of Maharashtra (-38%)
Average Responsiveness	1. Of the 29 Banks, 4 are Good, 10 are Moderate & 15 Need Improvement 2. Banks requiring most improvement are: Punjab National Bank (17 Weeks), UCO Bank (17 Weeks)

Rank	Top Departments	# of grievances received	Sources of grievances			Disposal of grievances			Effectiveness of disposal	
			PMO - online	PMO - offline	PG portal	Disposal efficiency (%)[1]	# of pending grievances[2]	# of pending > 12m[3]	Customer satisfaction	Average Responsiveness[4]
1	Allahabad Bank	212	2%	4%	85%	97%	4328	9	-30%	4 Weeks
2	Andhra Bank	45	7%	26%	46%	83%	10085	892	-31%	10 Weeks
3	Bank of Baroda	247	9%	40%	33%	90%	6796	2	-28%	7 Weeks
4	Bank of India	235	8%	58%	20%	95%	2657	29	-18%	10 Weeks
5	Bank of Maharashtra	55	14%	46%	30%	69%	10597	1226	-38%	14 Weeks
6	Bharatiya Mahila Bank	2	4%	21%	69%	67%	6870	260	-3%	15 Weeks
7	Canara Bank	224	11%	63%	21%	93%	2009	34	-36%	5 Weeks
8	Central Bank of India	254	9%	34%	51%	97%	928	1	-28%	5 Weeks
9	Corporation Bank	67	10%	48%	30%	99%	719	11	-20%	4 Weeks
10	Dena Bank	46	14%	61%	20%	55%	10032	77	-29%	15 Weeks
11	Indian Bank	88	5%	23%	66%	94%	1336	24	-9%	6 Weeks
12	Indian Overseas Bank	78	3%	15%	70%	99%	813	14	-32%	8 Weeks
13	National Bank for Agriculture and Rural Development	12	13%	38%	43%	97%	937	9	-35%	5 Weeks
14	National Housing Bank	29	6%	43%	39%	71%	5888	1245	-6%	9 Weeks
15	Oriental Bank of Commerce	78	12%	60%	26%	56%	6088	70	-32%	11 Weeks
16	Punjab National Bank	483	13%	40%	37%	82%	2720	286	-28%	17 Weeks
17	Punjab Sind Bank	35	13%	69%	15%	61%	5118	28	-25%	14 Weeks
18	State Bank of Bikaner & Jaipur	90	6%	46%	29%	97%	587	5	-19%	4 Weeks
19	State Bank of Hyderabad	46	5%	34%	54%	90%	1013	5	-32%	8 Weeks
20	State Bank of India	2657	12%	21%	50%	86%	1287	3	-5%	11 Weeks
21	State Bank of Indore	4	10%	48%	30%	99%	719	11	-20%	4 Weeks
22	State Bank of Mysore	34	14%	61%	20%	55%	10032	77	-29%	15 Weeks
23	State Bank of Patiala	76	5%	23%	66%	94%	1336	24	-9%	6 Weeks
24	State Bank of Travancore	31	3%	15%	70%	99%	813	14	-32%	8 Weeks
25	Syndicate Bank	137	13%	38%	43%	97%	937	9	-35%	5 Weeks
26	UCO Bank	140	6%	43%	39%	71%	5888	1245	-6%	9 Weeks
27	Union Bank of India	221	12%	60%	26%	56%	6088	70	-32%	11 Weeks
28	United Bank of India	141	13%	40%	37%	82%	2720	286	-28%	17 Weeks
29	Vijaya Bank	28	6%	46%	29%	97%	587	5	-19%	4 Weeks

Average % of citizens filling in satisfaction	12%

Sources of grievances

PMO (offline)	7%
PMO (online)	33%
PG portal	48%
Others*	12%

Source: All grievance reported from 01/10/2013 to 01/10/2015 across all touch points (sourced from DARPG)
1 - ratio of # of grievances disposed to the # of grievances received for the period 01/10/2013 to 01/10/2015
2 - number of total grievances that are pending as of 01/10/2015
3 - number of total grievances that are pending for > 12 months as of 01/10/2015
4 - average number of weeks taken to redress the grievance from the date it is registered
5 - Grievances received through post, e-mail or in person at the respective Depts. and other sources like Presidential Secretariat, Directorate of Public Grievances, Cab. Sectt

There are 2 types of portals for grievances for Banking division

Another important point to take note of, is the presence of other internal portals provided by the service providers themselves, and to contrast the scale of the two portals. In case of Department of Financial Services, there are two major portals:

1. Public Grievance Portal - portal for the citizens provided by the Central government

2. Customer Care Portals - operated by each bank

The details of these portals have been summarized in the table below.

Portal	Type	Owner	Scale	Details
CPGRAMS (PG-Portal)	Online (website)	DARPG	~1 lakh	Repeat complaints lodged on PG portal Includes employee grievances like pensions, complaints against banks
Customer Care portals1	Online - website (respective banks)	Banks (mandated, regulated by RBI)	~ XX	First PoC for all customer complaints across banks Each bank has its own customer care portal, for grievances, complaints

Key takeaways

The key points that one needs to keep in mind considering, the scale of these issues are as follows:

1. Interaction between the two portals is imperative to ensure quick redressal of complaints

2. The grievances and complaints from the grievance portal should feed into the framework of customer care portals of the respective banks

3. Post feeding into the system, it is important to ensure that these grievances are treated with criticality, and and this system can be used to track using responsiveness of the respective bank