

INTERNATIONAL CUSTOMER FORTIFICATION WITH REFERENCE TO BANKING SECTOR

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INTRODUCTION

India's growth is at present service sector driven. According to R8I's data, the contribution of service sector to real GDP growth was 57%, in 2008-09. Even in 1990s, the sector contributed highly in this regard. There is a noticeable trend that when the contribution of service sector to GDP has risen from 47.5% to 57%, the contribution of agriculture has declined from 31.5% to 22.2% in 2008-09.

In India, nowadays the growth of service sector is taking place in consumer services, Information Technology (IT) services and business process outsourcing services. According to an estimate given by World Bank, "India's share as a supplier of software services is as higher as 17%, compared to 3.2% in textiles and apparel. The share of software exports has risen from 19% to 34% in 1997-98, 96% of all software exports were from of services like custom application Development, IT Training and Education, etc. The share of BPO has risen to 24% of total software exports.

The growth of services are in a dominant form in the industrial growth of India. According to an estimate, the contribution of 'services is 41% to the GDP of country. In a quick and successful manner, the quality and benchmarking of the services has risen up to the global standard. One may take the examples from financial services, software services, accounting services, etc., which are getting operationalized in a global manner India is becoming a destination for IT sector. According to NASSCOM, over 185 Fortune 500 companies apply Indian software services. Multinationals are interested due to the relatively low cost of operation, high-skilled manpower and knowledge reservoirs the chief reasons for promotion of Indian software industry. A healthy banking system is essential for any economy striving to achieve good growth and yet remain stable in an increasingly global business environment. The Indian banking system, with one of the largest banking networks in the world, has witnessed a series of reforms over the past few years like the deregulation of interest rates, dilution of the government stake in public sector banks, and the increased participation of private sector banks. The growth of the retail financial services sector has been a key development on the market front. Indian banks (both public and private) have not only been keen to tap the domestic market but also to compete in the global market place. New foreign banks have been equally keen to gain a foothold in the Indian market.

CONSUMER PROTECTION IN INDIA

The Consumer Protection Act, 1986

The Act provides following remedies to an aggrieved consumer:

- * Removal of defects in goods or deficiency in service.
- * Replacement of defective goods with new goods of similar description which shall be free from any defect.
- * Return of price paid by the consumer.
- * Payment of compensation for any loss or injury suffered by the consumer.
- * Discontinue the restrictive, or unfair trade practice, and not to repeat it.

- * Withdraw the hazardous goods from being offered for sale and not to offer them for sale.
- * Provide for adequate cost to the aggrieved party.

During the course of a life time, an individual comes into contact with and carries out business dealings with large corporate, associations of persons, government departments, service sectors like banks, insurance, hotels, hospitals and other bodies. These are large, impersonal bodies with resources much larger than an individual's.

Most developed countries have set up watchdog bodies to help the individuals in this unequal fight and the individual enjoys an enviable amount of protection from the avarice and indifference of large bodies.

TO FILE A COMPLAINT

Complaint is to be filed within two years of buying the product or using the service. Complaint needs to be in writing, and should be acknowledged. Letters should be sent by registered post or should be hand-delivered against acknowledgement.

In the Complaint, consumer should mention clearly the name and address of the person who is complaining and against whom the complaint is being filed. Copies of relevant documents must be enclosed. The consumer must mention details of the problem and the demand on the company for redressal. This could be replacement of the product, removal of the defect, refund of money, or compensation for expenses incurred and for physical/mental torture. However, please ensure that the claims are reasonable. Avoid using e-mail, voice mail or telephone because such communications cannot be proved. The complaint can be in any Indian language, but it is better to use English.

CONSUMER PROTECTION AND BANKING SECTOR

A healthy banking system is essential for any economy striving to achieve good growth and yet remain stable in an increasingly global business environment. The Indian banking system, with one of the largest banking networks in the world, has witnessed a series of reforms over the past few years like the deregulation of interest rates, dilution of the government stake in public sector banks, and the increased participation of private sector banks. The growth of the retail financial services sector has been a key development on the market front. Indian banks (both public and private) have not only been keen to tap the domestic market but also to compete in the global market place. New foreign banks have been equally keen to gain a foothold in the Indian market.

CONSUMER PROTECTION IN USA

Major Consumer Protection Laws That Govern Financial Institutions and banks in USA

The major laws that govern financial institutions and protect individuals in their financial dealings.

Community Reinvestment Act of 1977

Encourages financial institutions to help meet the credit needs of their communities, responsibilities of cosigners, and wage assignments).

Flood Disaster Protection Act of 1973- Requires flood insurance on property in a flood hazard area that falls under the National Flood Insurance Program.

Gramm-Leach-Bliley Act (1999)- Privacy of particularly low- and moderate-income neighborhoods.

Consumer Leasing Act of 1976 -Requires that institutions disclose the cost and terms of consumer leases, such as automobile leases.

Electronic Fund Transfer Act (1978)-Establishes the basic rights, liabilities, and responsibilities of (1) consumers who use electronic fund transfer services and (2) financial institutions that offer these services. Covers transactions conducted at ATMs, at point-of-sale terminals in stores, and through telephone-bill-payment plans and preauthorized transfers to and from a customer's account, such as direct deposit of salary or Social Security payments.

Equal Credit Opportunity Act (1974)-Prohibits discrimination in credit transactions on many grounds, including sex, marital status, age, race, religion, color, national origin, the receipt of public assistance funds, or the exercise of any right under the Consumer Credit Protection Act. Requires creditors to grant credit to qualified individuals without requiring co-signature by spouses, inform unsuccessful applicants in writing of the reasons credit was denied, and allow married individuals to have credit histories on jointly held accounts maintained in the names of both spouses. Also entitles a borrower to a copy of an appraisal report.

Expedited Funds Availability Act (1987)- Specifies when depository institutions must make funds deposited by consumers available to them. Requires institutions to disclose to customers their policies on funds availability.

Fair and Accurate Credit Transaction Act of 2003-Enhances consumers' ability to combat identity theft, increases the accuracy of consumer reports, allows consumers to exercise greater control over the type and amount of marketing solicitations they receive, restricts the use and disclosure of sensitive medical information, and establishes uniform national standards in the regulation of consumer reporting.

Fair Credit and Charge Card Disclosure Act of 1988-Requires that applications for credit cards that are sent through the mail, solicited by telephone, or made available to the public (for example, at counters in retail stores or through catalogs) contain information about key terms of the account.

GLOBAL CONSUMER PROTECTION

"Consumer protection law" or "consumer law" is considered an area of public law that regulates private law relationships between individual consumers and the businesses that sell those goods and services. Consumer protection covers a wide range of topics, including but not necessarily limited to product liability, privacy rights, unfair business practices, fraud, misrepresentation, and other consumer/business interactions.

Such laws deal with credit repair, debt repair, product safety, service contracts, bill collector regulation, pricing, utility turnoffs, consolidation, personal loans that may lead to bankruptcy and much more.

Germany

The Federal Republic of Germany is a member state of the European Union and is bound by the consumer protection directives of the European Union. Thus a large part of German consumer protection law has been enacted pursuant to European Directives (e.g. the directives on door-to-door sales, consumer credits, distance selling, package tours, product liability, etc.) In 2002, a large part of this legislation was integrated into the German Civil Code.

Republic of China (Taiwan)

Consumer Protection Law in the Republic of China is the national special law which specifically protects the interests and safety of end-user using the products or services provided by business operators. Consumer Protection Commission of Executive Yuan serves as an ombudsman supervising, coordinating, reporting any unsafe products/services and periodically reviewing the legislation.

United Kingdom

The United Kingdom, as member state of the European Union, is bound by the consumer protection directives of the EU. Domestic (UK) laws originated within the ambit of contract and tort but, with the influence of EU law, it is emerging as an independent area of law. In many circumstances, where domestic law is in question, the matter judicially treated as tort, contract, restitution or even criminal law. Consumer Protection issues are dealt with when complaints are made to the Director-General of Fair Trade. The Office of Fair Trading will then investigate, impose an injunction or take the matter to litigation.

The Office of Fair Trading also acts as the UK's official consumer and competition watchdog, with a remit to make markets work well for consumers, and at a local, municipal level by Trading Standards departments. General consumer advice can be obtained from Consumer Direct or via a local branch of the Citizen's Advice Bureau.

Other Commonwealth countries

In Australia the corresponding agency is the Australian Competition and Consumer Commission or the individual State Consumer Affairs agencies. In New Zealand, the corresponding agency is the Ministry of Consumer Affairs [3] and the New Zealand Commerce Commission.

United States

Consumer protection laws often mandate the posting of notices, such as this one which appears in all automotive repair shops in California. In the United States a variety of laws at both the federal or state levels regulate consumer affairs. Among them are the federal Fair Debt Collection Practices Act, the Fair Credit Reporting Act, Truth in Lending Act, Fair Credit Billing Act, and the Gramm-Leach-Bliley Act. Federal consumer protection laws are mainly enforced by the Federal Trade Commission and the U.S. Department of Justice.

CONCLUSION

Invariably, consumers are a vulnerable lot for exploitation, more so in a developing country with the prevalence of mass poverty and illiteracy. India too is no exception to it. Instances like overcharging, black marketing, adulteration, profiteering, lack of proper services in trains, telecommunication,

water supply, airlines, etc are not uncommon here. From time to time, the governments have attempted to safeguard consumers' interests through legislations. There are instances where injustice is done to the individual due to callous and indifferent attitude of certain personnel of these bodies. Individuals often do not have recourse to costly litigation to seek justice and has to, per force, bear such injustice. Such submission to injustice emboldens the perpetrators and makes them even more brazen.

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