

No 16/3/2013-FSLRC (Part-I)
Govt of India
Ministry Of Finance
Department of Economic Affairs
FSLRC Division

North Block, New Delhi
Dated 5.6.2015

OFFICE ORDER

Subject : Task Force on Financial Redress Agency

The Financial Sector Legislative Reforms Commission (FSLRC) has recommended the creation of a Financial Redress Agency (FRA), which would act as a unified redress agency for financial consumers across the country.

2. The FRA, as envisaged in the draft Indian Financial Code (IFC), would be the first forum of independent grievance redress a financial consumer can access and will entertain grievances against all financial service providers. It would handle a large number of relatively low value complaints on a pan India basis and run a large scale, customer centric process to deliver efficient and effective outcomes.

3. The Ministry of Finance has begun preparatory work for establishing the FRA. With the objective of supporting the Ministry of Finance in establishing the FRA, it has been decided to set up a Task Force with the following **composition**:-

1. Shri D Swarup	Chairperson
2. Ms. Monika Halan (Editor, Mint Money)	Member
3. Shri Prithvi Haldea (Chairman, PRIME Database Group)	Member
4. Coordinator NIPFP - DEA Programme	Member
5. Principal Economic Adviser from DEA	Invitee
6. Adviser (FSLRC), DEA	Invitee
7. Representative of RBI	Invitee
8. Representative of SEBI (Shri Gyan Bhushan, ED)	Invitee
9. Representative of IRDA (Shri DD Singh, Member (Distribution))	Invitee
10. Representative of PFRDA (Shri Rakesh Sharma, GM)	Invitee

The Task Force may also invite / interact with other experts based on requirements.

4. The **Terms of Reference (ToR)** of the Task Force shall be as follows:-

- (I) Review the international best practices in consumer grievance redress, including ombudsmen and other dispute resolution mechanisms, with a focus on the financial sector.
- (II) Review the present practices of management of financial consumer redress in India.
- (III) Support the Ministry of Finance in procuring the services of competent consultants(s) to operationalise the FRA.

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- (IV) Guide and monitor the consultant(s) in order to develop:
- Organisation and human resource design,
 - Business model,
 - Plan on the sources and uses of funds, with appropriate level of details for each function,
 - Outline of the systems of financial controls,
 - Risk assessment and risk management plan,
 - Administrative plan that includes a design of the physical infrastructure required,
 - Process manuals, which include detailed processes to be followed for each of its functions,
 - Specifications of information technology system with sufficient level of detail that can be used for a formal contract with service providers to build such a system,
 - Draft set of rules as may be required to implement the applicable IFC provisions,
 - Design of the accountability and reporting mechanisms.
 - Plan for transition from current grievance redress systems under each of the existing financial regulators.
- (V) Task Force will undertake cost benefit analysis (CBA) of alternatives/options while making recommendations.

5. The expenditure related to the Task Force activities will be met from the budget of NIPFP-DEA research programme supplemented as and when necessary. NIPFP-DEA research programme will also provide appropriate research assistance to the Task Force.

6. The Task Force will complete its task within one year.


05/02/2015
(Gaurav Masaldan)
Director (FSLRC)
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- Chairperson/Members/Invitees of Task Force (as per list of addresses).
- Governor, RBI: with the request to nominate an ED conversant with the subject to attend the meetings of the Committee as an Invitee on the Task Force.
- Chairman, SEBI,
- Chairman, IRDA,
- Chairman, PFRDA,
- Director NIPFP/ Coordinator NIPFP (Prof Ajay Shah, NIPFP)

Copy for information to:-

- PS to Hon'ble Finance Minister/PS to MoS(Finance)
- PPS to FS/ AS(Investment)/AS(EA)/AS & FA/ PEA, DEA, Ministry of Finance
- JS(FM)/Adv(CM)/Adv(FSDC), DEA, Ministry of Finance