IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.10.2021

CORAM

THE HONOURABLE MR.JUSTICE R.MAHADEVAN

W.P. No. 22179 of 2021

S. Kalavathi .. Petitioner

Versus

1. Union of India
Rep., by General Manager
Reserve Bank of India
Fort Glacis, Kamarajar Salai
Chennai - 600 001.

2. The Honourable Ombudsman
C/o. Reserve Bank of India
Banking Office
Fort Glacis, Rajaji Salai
Chennai - 600 001.

3. The Principal Nodal Officer
HDFC Bank Limited
Prime Kushal Towers
First Floor, 'A' Wing
96, Anna Salai
Chennai - 600 002.

4. The Manager
No. 759, ITC Centre
Anna Salai
Chennai - 600 002. .. Respondents

Prayer: Petition filed under Article 226 of The Constitution of India praying to issue a Writ of Mandamus directing the second respondent to take action against the fourth respondent to follow the due process of law, regarding collection of loan amount, as guided by Reserve Bank of India forthwith based on the petitioner's complaint dated 13.08.2021.

For Petitioner : Mr. M. Govindarajan

ORDER

The petitioner has filed this writ petition seeking to issue a Writ of Mandamus directing the second respondent to take action against the fourth respondent to follow the due process of law, regarding collection of loan amount, as guided by Reserve Bank of India forthwith based on the petitioner's complaint dated 13.08.2021.

2. The petitioner availed credit card loan facility from the fourth respondent bank to the tune of Rs.5,00,000/- during December 2017. According to the petitioner, he had repaid the loan amount to the fourth respondent bank periodically, however, due to the lockdown imposed to curb the spread of Covid-19 Pandemic, the petitioner could not repay the loan amount. Notwithstanding the adverse financial situation faced by the petitioner, the recovery personnel attached to the fourth respondent bank frequently called upon him and demanded the repayment of the entire balance amount to the tune of Rs.6,33,279/- by slapping exorbitant interest. According to the petitioner, he is not liable to pay such a huge sum of Rs.6,33,279/- to the fourth respondent bank and he disputes it. It is stated that the petitioner's request to repay the loan amount in instalments has not been acceded to. Unable to sustain the frequent threats unleashed by the recovery agents appointed by the fourth respondent to collect the loan amount, the petitioner has given a complaint to the respondents 2 and 3 on 13.08.2021 seeking to take appropriate action against the third and fourth respondents bank for the unfair and unreasonable practice adopted in the matter of recovering the loan amount through threat and coercion. According to the petitioner, the complaint dated 13.08.2021 has not been considered so far and therefore, he has filed this writ petition.

3. The learned counsel for the petitioner submits that the Honourable Supreme Court, time and again, held that private banks should not resort to collect the borrowed amount by adopting third degree methods and such a practice has been deprecated. To substantiate such contention, he placed reliance on the order dated 26.02.2007 passed by the Honourable Supreme Court in Appeal (Crl) No. 267 of 2007 in the case of (Manager, ICICI Bank Limited vs. Prakash Kaur and others) wherein it was held that Banks have to be held vicariously liable for such acts of the agents engaged by them and that the recovery of loan or vehicles has to be done only through legal means and Banks cannot employ goondas to take possession by force. In the present case, according to the counsel for the petitioner, the fourth respondent bank engaged goondas and hooligans to collect the loan amount from the petitioner without following the due process of law and therefore, the complaint dated 13.08.2021 has been given by the petitioner. However, the second respondent failed to take any action thereof, hence, the learned counsel for the petitioner prayed this Court to issue appropriate direction to the fourth respondent to recover the loan amount by

adopting due process of law.

4. Heard the counsel for the petitioner and perused the materials placed on record. The grievance of the petitioner is that the fourth respondent bank has resorted to collect the loan amount payable by him without following due process of law and his complaint dated 13.08.2021 submitted to the respondents 2 and 3 has not been acted upon.

5. At the outset, the correctness or otherwise of the grievance expressed by the petitioner that the fourth respondent bank has engaged musclemen or goons to collect the loan amount cannot be examined by this Court in this writ petition. In fact, the petitioner himself has given a complaint dated 13.08.2021 to the second respondent. The second respondent has been exclusively constituted under The Banking Ombudsman Scheme, 2006 with the object of resolving complaints relating to certain services rendered by banks and to facilitate the satisfaction or settlement of such complaints. As per Chapter III, Clause 7 (2) of The Banking Ombudsman Scheme 2006, the second respondent herein shall receive and consider complaints relating to the deficiencies in banking or other services. Clause 10 empowers the second respondent to call for the records from the bank against whom the complaint is made. When such power is conferred on the second respondent and the petitioner also already subjected himself to the jurisdiction of the second respondent, this Court is of the view that such complaint preferred by the petitioner before the second respondent on 13.08.2021 shall be directed to be disposed of in accordance with law.

6. In the light of the above facts, this Court hereby directs the second respondent to consider the complaint dated 13.08.2021 of the petitioner and pass orders thereof on merits and in accordance with law, after affording an opportunity of hearing to the petitioner (complainant) as well as the fourth respondent bank, within a period of eight weeks form the date of receipt of a copy of this order.

7. Accordingly, the writ petition is disposed of. No costs.

Sd/-
Assistant Registrar(CS-II)

//True Copy//

Sub Assistant Registrar

dhk/rsh

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   Reserve Bank of India
   Fort Glacis Kamarajar Salai
   Chennai - 600001.

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PA(CO)
CB(12/11/2021)