(1994) 08 NCDRC CK 0018

In the National Consumer Disputes Redressal Commission

State Bank of Mysore APPELLANT

Vs

SRI T.L. VASUDEVA RAO RESPONDENT

Date of Decision : 18-08-1994

Acts Referred:

Citation : 1995 2 CPJ 231

Hon'ble Judges : D.R.Vithal Rao , Susheela Cheluvaraju J.

Final Decision : Appeal allowed

Judgement

1. - THIS appeal, by the opposite party, is directed against the order dated 23.7.1992, passed by the District Forum, Mysore, in Complaint No. CPA/ MD/613/90-91, directing the opposite party to pay a sum of Rs. 1,000/- as compensation to the complainant. The facts, briefly stated, are as follows: The complainant is the account holder in the opposite party Bank since from 1976. The complainant presented an out-station cheque for a sum of Rs. 400/- for encashment on 26.9.1990. The complainant on 4.10.1990 gave a cheque for a sum of Rs. 210/- in favour of the K.E.B., towards the payment of electricity charges. When the K.E.B., presented the said cheque on 6.10.1990 for encashment, it was returned by the Bank with an endorsement as ''refer to drawer.''

2. THE complainant thereafter on 25.10.1990 gave a letter to the Bank stating that the Bank has acted in not giving credit of the out-station cheque of sum of Rs. 400/-on 26.9.1990 in violation of the Reserve Bank of India directions to his account and it also acted in violation of the Reserve Bank of India directions in not honouring the cheque given by him in favour of the K.E.B., on 6.10.1990. THE complainant when he did not receive any satisfactory reply, filed the complaint seeking compensation for the harassment and humiliation suffered by him due to the opposite party in not honouring the cheque for a sum of Rs. 210/- given by him in favour of the K.E.B. The opposite party filed its version and averred that though the out-station cheque for a sum of Rs. 400/- was presented by the complainant on 26.9.1990, but there were holidays from 27.9.1990 so it

was credited to his account only on 8.10.1990 on its realisation. It further averred that on 6.10.1990, when the cheque of the complainant for a sum of Rs. 210/- was presented for encashment by the K.E.B., the complainant had not that much of balance in his account, so it could not be honoured. On the basis of these averments, it sought the complaint to be dismissed.

We have called for the records and received. We have also heard the learned Counsel for the appellant and the respondent. We have perused the records.

3. IT is not disputed that the complainant is the account holder in the opposite party-Bank since from 1976. IT is also not disputed that the complainant presented an out-station cheque fora sum of Rs. 400/- on 26.9.1990. The opposite party Bank did not give instant credit of the said amount to the account of the complainant. IT was given credit to the account of the complainant only on 8.10.1990 on realisation of the said out-station cheque. The complainant who had given a cheque for a sum of Rs. 210/- to K.E.B., when it was presented to the Bank on 6.10.1990 for its realisation, the opposite party-Bank did not honour the said cheque.

4. THE complainant-respondent herein submitted that the said out-station cheque for a sum of Rs. 400/- presented by him on 26.9.1990 would have been given instant credit to his account as per Reserve Bank of India instructions. THE opposite party, in failing to give instant credit to the said cheque, has acted in violation of the Reserve Bank of India guidelines. The learned Counsel for the opposite party-Bank referred to Reserve Bank of India guidelines issued to all the Banks, as referred to at para 8, in Punjab National Bank v. Maj. A.P. Lawale, reported in Vol. II (1992) CPJ page 910; the said guidelines, read as under: "To all offices XX XX XX 1. All out-station cheques upto Rs. 2500/- in each instance, bank drafts, dividend warrants, payment orders, banker''s cheque, refund orders, issued by companies in respect of share application money but excluding bills, tendered by the individual account holders for credit of their accounts be purchased at par but after charging normal collection charges including out of pocket expenses. Immediate credit may also be afforded against salary cheques issued by Govt. Departments, Govt. Authorities and Public Sector Undertakings, without waiting for advice for clearance, provided the cheque does not exceed Rs. 2,500/-. 2. The above facility be allowed in accounts which are properly introduced and the conduct of the account is to the satisfaction of the incumbent incharge. 3. Postage and usual collection charges including out of pocket expenses incurred are to be recovered in full. 4. Immediate credit may be extended to more than one cheque at a time within the overall limit of Rs. 2,500/-. 5. The facility will not be available when cheques purchased from an account holder have been returned for want of funds during any of the preceding three months. 6. The facility should not be permitted in case of minor and non-resident accounts. 7. The facility is to be allowed as a matter of course without customers having to claim it. Government had advised that they would view seriously any lapse on the part of the bank in not implementing the instructions

relating to immediate credit of out-station instruments upto Rs. 2,500/- which have been issued as a measure of better customer service. Government had also desired that responsibility/ accountability be squarely placed on the Zonal Managers/Regional Managers of the Bank and action should be taken against branch officers wherever there is a deliberate disobedience of the instructions in this regard. In view of the above, all concerned are requested to ensure that the above instructions are implemented without fail. It is also to be noted that any lapse in this regard will be viewed seriously and necessary action will be initiated to ensure implementation of Govt. instructions in the matter. Sd/- xxxxx N.K. Jain, Assistant Generel Manager"

This shows that all out-station cheques up to Rs. 2,500/- are to be given instant credit to the individual accounts after making necessary charges without waiting for their collection. As per para 2 therein, the said facility is allowed in accounts which are properly introduced and the conduct of the account is to the satisfaction of the incumbent incharge. In the present case, it is an admitted fact that the complainant is the account holder of the said Bank since 1976. No material has been produced to show that the conduct of the account was in any way unsatisfactory. Therefore, the Bank was not justified in not giving instant credit to the account of the complainant of the said outstation cheque of Rs. 400/-.

5. THE District Forum having regard to these facts and in the circumstances of the case held that there was deficiency of service on the part of the opposite party-Bank and in that view awarded compensation in a sum of Rs. 1,000/- to the complainant for the humiliation suffered by him due to the non-payment of the cheque given by him for a sum of Rs. 210/- to the K.E.B. Having regard to these facts and in the circumstances of the case, we do not find any error or infirmity in the order dated 23.7.1992, recorded by the District Forum, Mysore in Complaint No. CPA./MD/613/90-91. In the result, therefore, this appeal fails and it is dismissed. THE parties are directed to bear and pay their own costs in this appeal. Appeal allowed.