

WITHDRAWAL OF RBI CIRCULAR ON STRENGTHENING OF GRIEVANCE REDRESS MECHANISM IN BANKS



Notification no.: RBI/2025-26/207

Date of Issue: February 11, 2026 | Effective Status: Immediate Withdrawal

1. The Update

The Reserve Bank of India has withdrawn circular RBI/2020-21/87 dated 27 January 2021 by issuing RBI/2025-26/207 dated 11 February 2026. The withdrawal is part of a consolidation exercise: complaint-related disclosure requirements and grievance handling provisions have been incorporated into newer Master Directions and the Reserve Bank–Integrated Ombudsman Scheme, 2026. The withdrawal is immediate and applies to all Scheduled Commercial Banks (excluding Regional Rural Banks).

2. What changed

- Repeal: The 27 January 2021 circular stands withdrawn with immediate effect.
- Where to find requirements now:
 - Disclosure norms — Master Direction on Financial Statements Presentation and Disclosures (28 Nov 2025).
 - Compensation framework — Reserve Bank–Integrated Ombudsman Scheme, 2026 (enhanced compensation limits).
 - Internal resolution and IO powers — RBI (Internal Ombudsman) Directions, 2026.
- Obligation remains: Banks must continue to maintain and strengthen effective grievance redress mechanisms in line with extant regulatory instructions and Board-approved policies.

3. Implications for banks

- Policy and documentation: Update grievance redress policies and internal manuals to reference the 2025 Master Direction and 2026 Ombudsman/IO Directions.
- Compensation handling: Review compensation limits and claim procedures under the Integrated Ombudsman Scheme and update case-handling workflows.

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KNOWLEDGE DESK

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