



2026:KER:37925

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE BECHU KURIAN THOMAS

TUESDAY, THE 2ND DAY OF JUNE 2026 / 12TH JYAISHTA, 1948

WP(C) NO. 12616 OF 2024

PETITIONERS:

- 1 M/S.UNIQUE ENTERPRISES
A PARTNERSHIP FIRM HAVING ITS OFFICE AT UNIQUE
PARK, NEAR TMM HOSPITAL, THIRUVALLA,
PATHANAMTHITTA, KERALA REPRESENTED BY ITS
PARTNER, MR. THOMAS MATHEW, PIN - 689101
- 2 MR. THOMAS MATHEW,
AGED 62 YEARS
S/O. OOMMEN THOMAS, NALLUVELIL J. COTTAGE, OPP.
RAILWAY STATION, THIRUVALLA-, PIN - 689101

BY ADVS.

SRI.ANIL S.RAJ
SRI.SHIBU JACOB
SMT.RADHIKA RAJASEKHARAN P.
SMT.ANILA PETER
SMT.K.N.RAJANI
SMT.RESHMA RAMESH
SMT.SIMI S. ALI
SMT.SARITHA K.S

RESPONDENTS:

- 1 THE RESERVE BANK OF INDIA,
BAKERY JUNCTION, P.B NO.6507, THIRUVANANTHAPURAM
- , INDIA, REPRESENTED BY ITS REGIONAL
DIRECTOR., PIN - 695033
- 2 M/S.KOTAK MAHINDRA BANK LTD.,
THIRUVALLA BRANCH, M C ROAD, T B JUNCTION,
THIRUVALLA, REPRESENTED BY ITS BRANCH MANAGER.,
PIN - 689101



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BY ADVS.
SRI.MILLU DANDAPANI
SRI.PHILIP T.VARGHESE
SRI.THOMAS T.VARGHESE
SMT.ACHU SUBHA ABRAHAM
SMT.V.T.LITHA
SMT.K.R.MONISHA
SHRI. ASHIQUE NAZAR
SMT.SUMATHY DANDAPANI (SR.)

THIS WRIT PETITION (CIVIL) HAVING BEEN FINALLY HEARD
ON 02.06.2026, THE COURT ON THE SAME DAY DELIVERED THE
FOLLOWING:



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"CR"**BECHU KURIAN THOMAS,J****-----
WP(C) No.12616 of 2024
-----****Dated this the 02nd day of June, 2026****JUDGMENT**

Petitioners challenge an order issued by the Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme 2021.

2. Petitioners claim to have availed three credit facilities from the 2nd respondent (for short 'the Bank'). Alleging that there were shortcomings in the services rendered by the Bank, petitioners decided to shift their banking services to another financial institution. After ascertaining the total amount required for closure of the three credit facilities, an amount of Rs.6,58,48,202.19 was paid towards the two cash credit loan accounts, and Rs.1,22,00,000/- towards the term loan account. According to the petitioners, despite foreclosing the entire credit facilities availed by the petitioners, the Bank failed to release their title deeds and instead started demanding foreclosure charges. Pointing out the absence of conditions entitling demand of foreclosure charges, and for closure of their credit facilities, petitioners approached the grievance cell of the Bank. Since there was no response, petitioners approached the Ombudsman under the 1st



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respondent. However, without considering the merits of the claim raised, a communication was issued dismissing the claim raised by the petitioners, after observing that there was no deficiency of service. Thus petitioners challenge Ext.P13 communication issued by the RBI Ombudsman.

3. A counter affidavit has been filed on behalf of the 2nd respondent pointing out that there is no illegality or irregularity warranting intervention by this Court in the impugned order and further that the foreclosure charges demanded by the Bank was fully in accordance with the terms under which the credit facilities were granted. The Bank also questioned the maintainability of the writ petition relying upon the decision in **Authorised Officer v. Sheela Francis Parakkal [2025 KHC OnLine 2356]**.

4. I have heard Smt.Radhika Rajasekharan P, the learned counsel for the petitioners, Sri.Millu Dandapani, the learned counsel for the 1st respondent as well as Sri.Philip.T.Varghese, the learned Counsel for the 2nd respondent.

5. While considering the question of maintainability of the writ petition, it is relevant to mention that the impugned order was issued by the Ombudsman constituted under the Reserve Bank - Integrated Ombudsman Scheme, 2021. The said authority was



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created under the scheme formulated by the Reserve Bank of India, in exercise of the powers under section 35A of the Banking Regulation Act, 1949 and Section 45L of the Reserve Bank of India Act, 1934. The said authority is conferred with the power to receive and consider complaints relating to the deficiencies in banking or other services. Even an appeal is provided against the orders of the Ombudsman. On a perusal of the Scheme, it is evident that it is an authority created under a statute and has all the trappings of 'other authority' under Article 12 of the Constitution of India, and is hence amenable to the writ jurisdiction of the Court. The decision relied upon by the Bank in **Authorised Officer v. Sheela Francis Parakkal [2025 KHC OnLine 2356]** related return of title deeds retained by the Bank, and the Division Bench held that the writ petition was not maintainable against a Bank, as it was not amenable to the writ jurisdiction under Article 226 of the Constitution of India. The said decision has no application to the facts of the present case.

6. While considering the validity of the impugned order, it is necessary to have a cursory glance at the salient feature of the Reserve Bank - Integrated Ombudsman Scheme, 2021 (for short 'the Scheme'). The Scheme was brought in public interest for resolving customer grievances in relation to services provided by entities



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regulated by Reserve Bank of India in an expeditious and cost-effective manner. Though under the Scheme, an Officer of RBI can be appointed as the Ombudsman, the said authority can receive and consider complaints relating to the deficiencies in banking or other services and facilitate their satisfaction by agreement or conciliation and mediation or by passing an Award. Chapter IV of the Scheme deals with the procedure for redressal of grievances and a procedure for filing complaints is also provided. After a complaint is filed as per the provisions of the Scheme, the Ombudsman has to, in a summary manner, endeavour to promote a settlement of the complaint by agreement between the complainant and the bank through conciliation or mediation as per Clause 14. If the settlement is not arrived at, the Ombudsman has to hear the parties and pass an Award, unless the complaint is rejected under Clause 16.

7. Clause 15 of the Scheme deals with the mode of passing an Award while Clause 16 deals with rejection of a complaint. Since some of the provisions in those two clauses are relevant, they are extracted below.

“15. Award by the Ombudsman

(1) Unless the complaint is rejected under clause 16, the Ombudsman shall pass an Award in the event of:

- (a) non-furnishing of documents/information as enumerated in clause 14(4); or*
- (b) the matter not getting resolved under clause 14(9) based on records placed, and*



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after affording a reasonable opportunity of being heard to both the parties.

(2) The Ombudsman shall also take into account, in addition, the principles of banking law and practice, directions, instructions and guidelines issued by the Reserve Bank from time to time and such other factors as may be relevant, before passing a reasoned Award.

(3) The Award shall contain, inter alia, the direction, if any, to the Regulated Entity for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Regulated Entity to the complainant by way of compensation for any loss suffered by the complainant.

(4) Notwithstanding anything contained in sub-clause (3), the Ombudsman shall not have the power to pass an Award directing payment by way of compensation, an amount which is more than the consequential loss suffered by the complainant or Rupees 20 lakh whichever is lower. The compensation that can be awarded by the Ombudsman shall be exclusive of the amount involved in the dispute.

(5) The Ombudsman may also award a compensation not exceeding Rupees one lakh to the complainant, taking into account the loss of the complainant's time, expenses incurred, harassment and mental anguish suffered by the complainant.

(6) A copy of the Award shall be sent to the complainant and the Regulated Entity.

(7) The Award passed under sub-clause (1) shall lapse and be of no effect unless the complainant furnishes a letter of acceptance of the Award in full and final settlement of the claim to the Regulated Entity concerned, within a period of 30 days from the date of receipt of the copy of the Award.

Provided that no such acceptance may be furnished by the complainant if he has filed an appeal under sub-clause (3) of clause 17.

(8) The Regulated Entity shall comply with the Award and intimate compliance to the Ombudsman within 30 days from the date of receipt of the letter of acceptance from the complainant, unless it has preferred an appeal under sub-clause (2) of clause 17.

16. Rejection of a Complaint

(1) The Deputy Ombudsman or the Ombudsman may reject a complaint at any stage if it appears that the complaint made:

(a) is non-maintainable under clause 10; or

(b) is in the nature of offering suggestions or seeking guidance or explanation.



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(2) The Ombudsman may reject a complaint at any stage if:

- (a) in his opinion there is no deficiency in service; or*
- (b) the compensation sought for the consequential loss is beyond the power of the Ombudsman to award the compensation as indicated in clause 8(2); or*
- (c) the complaint is not pursued by the complainant with reasonable diligence; or*
- (d) the complaint is without any sufficient cause; or*
- (e) the complaint requires consideration of elaborate documentary and oral evidence and the proceedings before the Ombudsman are not appropriate for adjudication of such complaint; or*
- (f) in the opinion of the Ombudsman there is no financial loss or damage, or inconvenience caused to the complainant. "*

8. A reading of the above provisions of the Scheme will indicate that the Ombudsman has to pass an Award giving reasons for its conclusion. The necessity of giving reasons is specifically stipulated in Clause 15(2) of the Scheme and more importantly, as the Award is subject to appeal. Even when a complaint is rejected under Clause 16, reasons are to be given as the aggrieved has a right of appeal. Merely because Clause 16 of the Scheme does not stipulate the necessity of giving reasons or an opportunity of hearing, as in Clause 15, the Ombudsman cannot avoid such an opportunity of hearing as well as giving reasons for its conclusions. Reasons being the soul of every order, an aggrieved party, while challenging an adverse order, can agitate the rationale behind the reasons recorded therein. Reference to the decision in **Sasikumar v State of Kerala [2023 KER 17799]** is appropriate. In the absence of reasons, the right of the aggrieved



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to challenge the Award or even the rejection of his complaint, will be affected. Therefore, every order that affects the right of a person must be substantiated by reasons which can indicate, to a higher authority, when a challenge is raised, the basis for the conclusion arrived at in the impugned order. The Ombudsman is also bound to provide reasons in its order.

9. In the instant case, surprisingly, the impugned order Ext.P13 does not have the trappings of an Order. On the contrary, it is in the form of an email letter issued by the Office of the Banking Ombudsman. Such a communication is contemplated only under Clause 12(2) of the Scheme, when the Office of the Ombudsman finds the complaint not maintainable at the initial scrutiny itself. In the present case, that stage was over and the Ombudsman had proceeded to the next stage. At such a stage, the Ombudsman could not have dealt with the complaint without giving reasons for its order. The email letter issued from the Office of the Ombudsman reveals that the complaint of the petitioner has been dealt with as an administrative issue. The impugned order in the present case was issued in the form of an auto-generated e-mail communication, without mentioning the name of the officer, without containing any signature and issued in the form of a letter.



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10. As noted in the preceding paragraphs, the Ombudsman is a body which has to follow a detailed procedure while considering complaints filed before it. The Award issued under Clause 15 of the Scheme, by the RBI Ombudsman affects the rights of parties before him and hence, speaking orders are required to be rendered. It is also noticed from Ext.P13 that the communication itself mentions that it is system-generated communication and does not require a signature. Considering the nature of jurisdiction exercised by the Ombudsman, such system-generated communications without the signature and the name of the authority that passed the impugned order are not in consonance with the legal requirements of an order that affects the rights of parties. It is only appropriate that the RBI does not permit such system-generated communications to be issued, especially in respect of complaints filed before the Ombudsman under the Scheme.

11. In this context, it is apposite to refer to the decision in **Santhosh Kumar R.S. v. South Indian Bank Ltd., Thrissur [2026 KHC OnLine 225]**, wherein a similar issue was considered and a learned Single Judge of this Court came to the conclusion that it would be better that an order of the Ombudsman be issued containing signature and seal.

12. In the instant case, apart from the shortcomings in



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Ext.P13 order of the RBI Ombudsman as mentioned above, this Court notices that there is absolutely no reason forthcoming as to why the authority concluded that there was no deficiency in rendering customer service to the complainant. Other than reiterating the contentions of both parties, no independent analysis or reasoning has been mentioned in the impugned order. In the absence of any reason, the impugned order is perverse, arbitrary and warrants interference by this Court under Article 226 of the Constitution of India.

Hence, Ext.P13 is set aside, and the office of the Ombudsman under the first respondent is directed to reconsider the matter afresh, after granting an opportunity of hearing to the respective parties.

The writ petition is allowed as above.

Sd/-

BECHU KURIAN THOMAS
JUDGE

pm



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APPENDIX OF WP(C) NO. 12616 OF 2024

PETITIONERS' EXHIBITS

Exhibit P1 TRUE COPY OF THE UDAYAM REGISTRATION CERTIFICATE DATED 04.09.2020 ISSUED BY MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES, GOVERNMENT OF INDIA

Exhibit P2 TRUE COPY OF THE LETTER DATED 23.11.2022 OF THE 2ND RESPONDENT

Exhibit P3 TRUE COPY OF THE LETTER DATED 20.12.2023 OF THE SOUTH INDIAN BANK LTD.

Exhibit P4 A TRUE COPY OF THE LETTER DATED 26.12.2023 OF THE 1ST PETITIONER

Exhibit P5 A TRUE COPY OF THE LETTER DATED 22.12.2023 OF 2ND PETITIONER

Exhibit P6 A TRUE COPY OF THE EMAIL DATED 27.12.2023 ISSUED BY THE PETITIONER TO THE 2ND RESPONDENT

Exhibit P7 A TRUE COPY OF THE EMAIL DATED 27.12.2023 OF THE 2ND RESPONDENT

Exhibit P8 A TRUE COPY OF THE EMAIL OF THE 1ST PETITIONER DATED 28.12.2023

Exhibit P9 A TRUE COPY OF THE EMAIL DATED 03.01.2024 OF THE 2ND RESPONDENT ALONG WITH TYPED OUT VERSION.

Exhibit P10 A TRUE COPY OF THE EMAIL DATED 09.01.2024 OF THE 1ST PETITIONER

Exhibit P11 A TRUE COPY OF THE EMAIL DATED 11.3.2024 OF THE 1ST PETITIONER TO THE 1ST RESPONDENT

Exhibit P12 TRUE COPY OF THE EMAIL DATED 22.3.2024

Exhibit P13 TRUE COPY OF THE EMAIL DATED 31.3.2024 DISMISSING PETITIONERS COMPLAINT

Exhibit P14 TRUE COPY OF THE EMAIL DATED 23.11.2020 SENT BY THE 2ND RESPONDENT TO THE PETITIONERS

Exhibit P15 TRUE COPY OF THE SANCTION LETTER DATED 30.11.2020