**Debt Recovery Agent Examination**

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| **S.No.** | **RBI Notification** |
|  | Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents |

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RBI/2022-23/108  
DOR.ORG.REC.65/21.04.158/2022-23

August 12, 2022

Madam/ Sir,

**Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents**

The Reserve Bank of India has from time to time advised regulated entities (REs) that the ultimate responsibility for their outsourced activities vests with them and they are, therefore, responsible for the actions of their service providers including Recovery Agents (hereafter referred to as ‘agents’).

2. It has been observed that the agents employed by REs have been deviating from the extant instructions governing the outsourcing of financial services. In view of concerns arising from the activities of these agents, it is advised that the REs shall strictly ensure that they or their agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently[1](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12378&fn=2&Mode=0#F1) calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, etc.

3. The instructions contained in para 2 above shall supplement and be read in conjunction with the existing guidelines/directions issued by the Reserve Bank of India, as amended from time to time, including those tabulated in [Annex](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12378&fn=2&Mode=0#AN).

4. Any violation in this regard by REs will be viewed seriously.

**Applicability**

5. This circular shall apply to the following REs:

1. All Commercial Banks (including Local Area Banks, Regional Rural Banks, and Small Finance Banks) excluding Payments Banks;
2. All All-India Financial Institutions (viz. Exim Bank, NABARD, NHB, SIDBI, and NaBFID);
3. All Non-Banking Financial Companies including Housing Finance Companies;
4. All Primary (Urban) Co-operative Banks, State Co-operative Banks, and District Central Co-operative Banks; and
5. All Asset Reconstruction Companies.

6. This circular shall not apply to microfinance loans covered under [‘Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022’, dated March 14, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12256).

Yours faithfully,

(Sunil T. S. Nair)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/scripts/FS_Notification.aspx?Id=12378&fn=2&Mode=0#:~:text=The%20Reserve%20Bank%20of%20India,to%20as%20'agents>').