

**BEFORE THE DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, AMBALA.**

Complaint case no. : 261 of 2023  
 Date of Institution : 02.08.2023  
 Date of decision : 14.06.2024

1. Suraj Prakash Jindal S/o Sh. Gian Chand Jindal R/o 88, Sector-A, Defence Colony, Ambala Cantt.
2. Nidhi Jindal W/o Sh. Suraj Prakash Jindal R/o 88, Sector-A, Defence Colony, Ambala Cantt.

....Complainants

Versus

1. IDFC First Bank through its Branch Manager, Minerva Complex, 2nd Floor, Rai Market, Ambala Cantt.
2. Chandan Singh, State Head, IDFC Bank Ltd..... Through E. Mail: chandan.singh@idfcfirstbank.com  
 SCO-56, First Floor, Madhya Marg, Sector-26, Chandigarh, 160019.

..... Opposite parties

**Before:** Smt. Neena Sandhu, President.

Smt. Ruby Sharma, Member,

Shri Vinod Kumar Sharma, Member.

**Present:-** Shri Manu Rastogi, Advocate, counsel for the complainants.

Defence of OPs already struck off.

**Order:** Smt. Neena Sandhu, President.

Complainants have filed this complaint under Section 35 of the Consumer Protection Act, 2019 (hereinafter referred to as 'the Act') against the Opposite Parties (hereinafter referred to as 'OPs') praying for issuance of following directions to them:-

- i. To refund the recurring interest which comes out to Rs.9,65,997.97 in total which they have charged from April, 2022, when the complainants applied for foreclosure of both the loans to March, 2023 i.e. when the earlier complaint of the complainants was disposed along with interest @12% per annum thereupon from April, 2023, till the date of actual payment.
- ii. To pay a sum of Rs.1 lac as damages on account of mental agony and harassment.
- iii. To pay cost of litigation of Rs.55000/-.

2. Brief facts of the case are that complainant No.1 got sanctioned two loans against property from the OP No.1 duly signed by the OP No.2 to the tune of Rs.56,20,000/- vide letter dated 21.12.2019 and Rs.73,80,000/- vide letter dated 26.12.2019 and the complainant No.2 is the co-applicant in both the loans. The said loans were payable in 137 months and EMI was Rs.67,164/- and Rs.88,197/- as per the sanction letter. The complainants regularly paid the EMI's against both the above-said loans without

any bounce. The complainants have got funds available in their hands in the end of March, 2022 and they wanted to clear both the above stated loans in one time. The complainants approached the OP No.1 in the first week of April, 2022 in the matter who demanded foreclosure charges on clearing the loan vide letter dated 16.04.2022. As per conditions agreed at the time of granting sanction of loans vide sanction letter dated 21.12.2019 and 28.12.2019, it was specifically agreed under condition No.8 regarding foreclosure charges that "NIL charges for individual borrowers for personal use" which clearly means that no foreclosure charges will be demanded by the OPs as per the agreed terms and conditions and due discussions at the time of granting loans. Even otherwise as per the norms of the RBI, no foreclosure charges can be recovered from the customers who have taken the individual loans on clearing the loan before time. The complainants made complaint about the matter in dispute to higher authorities of the OPs vide E-Mail dated 25.06.2022, but to no effect. The complainants also contacted Sh. Chandan Singh i.e. OP No.2, the then Relationship Officer and now the State Head, who has also signed the Sanction letters in the matter, through E- Mails and Whatsapp and he had also been assuring the complainants to do the needful in a week vide WhatsApp message dated 21.04.2022 till the disposal of the previous complaint CC/374/2022 i.e. for about more than 12 months and had been putting off the matter on one pretext or the other by saying that the matter had been taken up with the higher authorities and the decision is awaited from the higher authorities. Because of the said delay of about more than twelve months, the complainants suffered huge loss of Rs.4,19,018.14 from 01.04.2022 to 31.03.2023 for the loan A/c No.28837584 and Rs.5,46,979.83 from 01.04.2022 to 31.03.2023 for the loan A/c No.27521705 by way of interest for both the loans respectively being charged by the OPs on the loan amount. Thereafter, the OPs increased the rate of interest on both the above said loans vide letter dated 08.08.2022 and as such the number of EMI's have also increased in that ratio which has further put additional financial burden upon the complainants. To the utter surprise, rather to issue fresh foreclosure letter without foreclosure charges, a mischievous Email was sent by the OPs to the complainant on 13.07.2022 in which the OPs asked for the bank statements of the accounts from which the complainants will be going to make re-payments which is totally incorrect, unwanted and unfair practice and the said Email had been sent just to delay the acceptance of payment by the OPs and to harass the complainants by putting extra burden of interest in EMI's to the complainants by delaying the matter. After waiting sufficiently, the complainants after serving legal notice had filed Consumer complaint No.CC/374/2022 against the OPs for settling the loan account of complainants without demanding any foreclosure charges and release the original documents kept by them as security and release the property of the complainants. In the said complaint, on an application filed by the complainants to direct the OPs to receive the undisputed amount, this Commission was pleased to pass the interim order directing the OPs to receive the undisputed amount from the complainants vide order dated 27.01.2023. Even after passing of the said order and after so many reminders by post and through e-mails to issue the fresh foreclosure letter without any foreclosure charges, the OPs issued fresh letter and received the amount alongwith interest after delaying the matter for about one month i.e. on 27.03.2023.

3. Firstly even on the date of payment, the OPs called the complainants on 24.03.2023 (Friday) in their local branch i.e. OPs No.2 in order to receive the payment and handover the original documents, where also the OPs after receiving the final payment alongwith interest put the condition to sign the pre-typed satisfaction letter in order to receive the original documents of property. Under the compelled circumstances and after long arguments over the same, the complainants in order to take back original property papers withdrew their complaint filed by them before the Hon'ble Commission on 27.03.2023 (Monday) and had to sign the said pre-typed satisfaction letter, where the complainants also put the handwritten remarks/objections on the same. The OPs burdened the complainants to pay in total interest of Rs.9,65,997.97, for both the loans, without any fault on their part, due to which they suffered and a lot of mental agony and harassment. Hence, the present complaint.
4. Despite availing number of opportunities, after putting appearance, when OPs No.1 and 2 did not file written version, their defence was struck off by this Commission vide order dated 06.12.2023.
5. Learned counsel for the complainants tendered affidavit of the Complainant No.1 as Annexure C-A, alongwith documents as Annexure C-1 to C-11 closed the evidence on behalf of Complainants.
6. We have heard the learned counsel for the complainants and have also carefully gone through the case file.
7. Learned counsel for the complainants submitted that by charging foreclosure charges and allied charges thereupon on the principal loan amount, at the time of repaying the same, the OPs are deficient in providing service and adopted unfair trade practice.

8. It is evident from the record that complainant No.1 got sanctioned two loans against property from OP No.1 duly signed by OP No.2 to the tune of Rs. 56,20,000/- vide letter dated 21.12.2019 and Rs.73,80,000/- vide letter dated 26.12.2019, Annexure C-1 and C-2 respectively and the complainant No. 2 is the co-applicant in both the loans and the said loans were taken under floating rate of interest. Complainants approached the OPs for foreclosure of the said loans. The OPs vide letter dated 16.04.2022, Annexure C-3 demanded foreclosure charges to the tune of Rs.1,46,419.71 ps. and vide letter dated 16.04.2022, Annexure C-4 foreclosure charges to the tune of Rs.1,92,274.07 ps. towards the respective loans. However, thereafter, lot of letters were exchanged between the parties, and ultimately a new development took place and ultimately, the OPs raised fresh letter dated 04.03.2023, Annexure C-6 wherein interest of Rs.419018.14 ps. on the principle amount of Rs.4911597/- and vide letter dated 02.03.2023, Annexure C-7 an interest of Rs.546979.83 against principle amount of Rs.1761046.17 was demanded from the complainants.
9. The counsel for the complainants has vehemently contended that the complainants have been unnecessarily burdened with the interest component of Rs.419018.14 ps. and Rs.546979.83 aforesaid i.e. totalling Rs.9,65,997.97ps. because had the OPs agreed to waive the foreclosure charges earlier in March 2022 itself and had lingered on the matter till March 2023, the complainants would have repaid the principle amount in the year 2022 itself and would have escaped from paying the total amount of interest of Rs.9,65,997.97ps., which they have charged from April, 2022, when the complainants applied for foreclosure of both the loans till March, 2023 i.e. when the earlier complaint of the complainants was disposed off along with interest @12% per annum thereupon from April, 2023 to till the date of actual payment.
10. It may be stated here that no doubt, the act of the OPs in demanding the foreclosure charges were violation of the spirit of Circular dated 02.08.2019 having been issued by the Reserve Bank of India to the effect that banks shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned, for purposes other than business, to individual borrowers with or without co-obligant(s), yet, we cannot also ignore the fact that for all this period i.e. from April 2022 to March 2023, the principle amount qua both the loan accounts stood retained with the complainants only i.e. they have used the said principle amount, on which they would have definitely earned interest thereon, even if the said amount had been kept in the saving account or fixed deposit by the complainants. Had the said interest amount been received from the complainants without retention of principle amount with them, the matter would have been decided, viewing from that angle, accordingly. Under these circumstances, this Commission is not inclined to order refund of the entire interest of Rs.9,65,997.97ps. in favour of the complainants. However, at the same time, the act and conduct of the OPs in lingering on the matter for such a long time i.e. from April 2022 till March 2023, can also not be overlooked and thus we do not hesitate to conclude that the OPs certainly are liable to compensate the complainants for delaying the matter. They are also liable to compensate the complainants for the mental agony and physical harassment suffered by them. For this inaction on the part of the OPs if we award lumpsum amount of Rs.80,000/- as compensation in favour of the complainants that will meet the ends of justice. The OPs are also liable to pay the litigation expenses to the complainants.
11. In view of the aforesaid discussion, we hereby partly allow the present complaint and direct the OPs, to pay lumpsum amount of Rs.80,000/-, as compensation and also cost of litigation of Rs.5,000/- to the complainants, within the period of 45 days from the date of receipt of certified copy thereof, failing which these amounts shall be payable alongwith interest @6% p.a. from the date of filing of this complaint till realization. Certified copies of the order be sent to the parties concerned as per rules. File be annexed and consigned to the record room.

Announced:- 14.06.2024.

(Vinod Kumar Sharma)  
Member

(Ruby Sharma)  
Member

(Neena Sandhu)  
President

