

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO 15.12.2009
ANSWERED ON
RESTRICTED USE OF ATMS

2798

Smt. Jaya Bachchan

Will the Minister of COALCOALFINANCE be pleased to state :-

- (a) whether it is fact that State Bank of India (SBI) has restricted the use of ATMs by introducing service charges beyond a certain number of withdrawals;
- (b) if so, the details in this regard and the reasons therefor;
- (c) whether the decision is against promoting ATM culture and against the interest of customers;
- (d) whether the bank proposes to review these measures; and
- (e) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI NAMO NARAIN MEENA)

(a) & (b) : - State Bank of India (SBI) has reported that the levy of service charges beyond a certain number of withdrawals is as per the Reserve Bank of India (RBI) norms for usage of other Banks' ATMs by customers and in line with the guidelines issued by Indian Banks' Association (IBA) for all member banks and are applicable to all the banks. As per RBI norms, with effect from 15th October, 2009, free cash withdrawals from other bank ATMs are allowed to account holders up to five transaction per calendar month. This facility is extended only to Savings Bank customers.

(c) to (e) : - No, Sir. The decision is in the interest of common savings account holders as it facilitates free cash withdrawals (up to 5 times a month) from other banks ATMs as well. The limit of Rs. 10000 per transaction (cash withdrawals) and permitting free transactions only to savings account holders would restrict un-curtailed free ATM use by current account holders and ensuring availability of adequate cash balance at the ATMs to serve a larger number of customers. The instructions dated March 10, 2008 were relaxed by RBI after due consideration of the representation made by banks and customer interests.