

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION No. 1316
TO BE ANSWERED ON 9 FEBRUARY 2018 (FRIDAY)/MAGHA 20, 1939 (SAKA)

Charges and Surcharges on Banking Transactions

1316. SHRIMATI BUTTA RENUKA:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the basic banking transactions available for citizens;
- (b) whether the Government has any role in fixing charges and surcharges on banking transactions, if so, the details thereof;
- (c) whether banks are charging undue surcharges on basic facilities, if so, the details thereof;
- (d) whether banks seek any approvals from the Government before applying such charges and surcharges, if so, the details thereof and if not, the reasons therefor;
- (e) whether different banks charge different fees and surcharges for various services to the customers, if so, the details thereof and the reasons therefor; and
- (f) the steps taken by the Government to have uniform charges for various services to the customers?

Answer

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

- (a) to (f) As per extant guidelines issued by Reserve Bank of India's (RBI), Basic Savings Bank Deposit Account (BSBDA) holders, are provided the following common facilities free of charge by the banks:
- (i) Deposit;
 - (ii) Withdrawal of cash at bank branch as well as ATMs;
 - (iii) Receive/credit of money through electronic payment channels or by means of deposit / collection of cheques drawn by Government agencies/departments;
 - (iv) Facility of ATM card or ATM-cum Debit card.

Further, there is no requirement of maintaining minimum balance in BSBD accounts. While there is no limit in number of deposits in a month, such account holders are allowed four withdrawals in a month including ATM withdrawals.

As per Reserve Bank of India (RBI) Master circular dated 1.7.2014 on customer service in banks, the banks may decide the service charges, with prior approval of their respective Board of Directors. While different banks may have different charges for various services, banks are to ensure that the charges are reasonable and are in line with the average cost of providing these services. Banks also have to ensure that customers with low volume of activities are not penalised. Moreover, most banks provide several free basic services to customers as per their Board-approved policies.

Banks have informed that they are following RBI guidelines in this regard.

RBI prescribes the cap of charges that can be levied on National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), ATMs and Merchant Discount Rate (MDR) to keep the charges for digital transactions as low as possible and to give the entities flexibility.
