

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**

**UNSTARRED QUESTION No. 214**

TO BE ANSWERED ON 2 February 2018 (FRIDAY)/MAGHA 13, 1939 (SAKA)

**Banking Service Charges**

214. SHRIMATI VANAROJA R: SHRI HARISH MEENA:

Will the Minister of FINANCE be pleased to state:

- (a) the details of various service charges levied by the banks on its customers;
- (b) whether the Government has made any changes with respect to the charges levied for using banking services like limited withdrawal, deposits and ATM transactions, if so, the details thereof and the reasons therefor;
- (c) the details of revenue earned/generated by the banks by levying various charges on banking services provided to their customers during the last five years;
- (d) whether the Government is considering to discontinue all free banking services, if so, the details thereof; and
- (e) whether the banks are looking at commercial and operational costs and would constantly examine and revise charges as the case may be, if so, the details thereof?

**Answer**

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

(a) and (b) As per Reserve Bank of India's (RBI) extant instructions, Scheduled Commercial Banks may decide the service charges for various type of services rendered by them as per their Board approved policy. While fixing service charges, banks are to ensure that the charges are reasonable and not out of the line with the average cost of providing these services. Further, banks are to identify basic services and the principles to be adopted /followed by them for ensuring reasonableness in fixing such charges. Banks are also advised to take steps to ensure that customers are made aware of the service charges upfront and changes in the service charges are implemented only with the prior notice to the customers.

(c) Based on information received by Public Sector Banks (PSBs), the revenue earned/generated by them by levying various charges on services provided to their customers, during the last five years are given below:

| (in Rs. crore) |         |         |         |         |                           |
|----------------|---------|---------|---------|---------|---------------------------|
| 2012-13        | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 (till 31.12.2017) |
| 7294.46        | 7432.00 | 8286.32 | 8901.08 | 9714.58 | 9905.99                   |

\* Note: Services reported by banks may not be the same.

(d) and (e) As informed in part (a) above, Scheduled Commercial Banks may decide the service charges for various type of services rendered by them as per their Board approved policy. Indian Banks' Association (IBA), on behalf of member banks, has clarified through the press release dated 10.1.2018, that there is no move for blanket removal of free services. Banks regularly examine their commercial and operational costs and revise charges for various services either to increase or decrease those, with approval of their Board accordingly.

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