

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

UNSTARRED QUESTION No. 3470

ANSWERED ON MONDAY, JULY 15, 2019/ ASHADHA 24, 1941 (SAKA)

BANK CHARGES FOR TRANSACTIONS

3470. SHRI MAGUNTA SREENIVASULU REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the banks charge a fee for every transaction due to which bank deposits are declining and if so, the details thereof;

(b) whether banks charge fee for both Automated Teller Machine and cheque transactions due to which small saving account holders are closing their bank accounts; and

(c) if so, the details thereof and the number of account holders in the Public Sector Banks from the year 2015 till May 2019, year-wise?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c) As per extant guidelines of Reserve Bank of India (RBI), following basic minimum facilities to the Basic Savings Bank Deposit Account (BSBDA) are provided free of charge and without any requirement for maintaining minimum balance in the account:

- i. Deposit of cash at bank branch as well as ATMs/Cash Deposit Machines (CDMs).
- ii. Receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments.
- iii. No limit on number and value of deposits that can be made in a month.
- iv. Minimum of four withdrawals in a month, including ATM withdrawals.
- v. ATM Card or ATM-cum-Debit Card.

Accordingly, as on March, 2019 the above facilities are provided to 57.3 crore BSBD accounts (including 35.27 crore PMJDY accounts) free of charge.

In addition to the above, banks may provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure. The availment of such additional services are to made at the option of the customers. However, while offering such additional services, banks shall not require the customer to maintain a minimum balance and offering such

additional services would also not make BSBD account a non-BSBD Account, so long as the prescribed minimum services are provided free of charge by the banks.

For accounts other than BSBD accounts, as per Reserve Bank of India (RBI)'s Master Circular on "Customer Service in Banks" dated July 1, 2015, banks are permitted to fix service charges on various services rendered by them, as per their Board approved policy, while ensuring that the charges are reasonable and not out of line with the average cost of providing these services. Banks have been advised to identify basic services and the principles to be adopted/ followed by them for ensuring reasonableness in fixing such charges. They 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.

As apprised by Reserve Bank of India (RBI), the total number of savings accounts in Public Sector Banks has increased since 2015. The details are as follows:

Year	Total no. of Savings Accounts (in crore)
2015	88.39
2016	101.37
2017	112.88
2018	119.25
