

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

UNSTARRED QUESTION No. 1216

ANSWERED ON SATURDAY, SEPTEMBER 19, 2020 /BHADRAPADA 28, 1942
(SAKA)

Bank Charges

1216. DR. VISHNU PRASAD M.K.:

SHRI VIJAY KUMAR:

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 along with the number of account holders in the Public Sector Banks (PSBs) during the period from the year 2015 to 31 August, 2020, 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) including accounts opened under Pradhan Mantri Jan Dhan Yojna (PMJDY) 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, 2020 the above facilities are provided to 60.04 crore BSBD accounts (including 38.33 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 other accounts, as per RBI 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.

The year wise number of savings accounts in Public Sector Banks from 2015 to 2019, as available from RBI is as follows:

Year	Total no. of Savings Accounts (in crore)
2015	88.39
2016	101.37
2017	112.88
2018	119.25
2019	118.19

Source: RBI
