

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 1127
ANSWERED ON MONDAY, JULY 26, 2021/SRAVANA 4, 1943 (SAKA)

ATM Withdrawal Charges

1127. KUNWAR DANISH ALI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the customers would have to pay Rs.21 instead of Rs.20 on every ATM withdrawal exceeding the limit fixed from 1st January, 2022 after the modifications in the rules pertaining to maximum ATM transactions limit allowed by the Reserve Bank of India;
- (b) if so, the reasons therefor;
- (c) whether this decision of RBI is likely to cause additional burden on the pocket of rural customers including farmers who are not digitally active; and
- (d) if so, whether the Government proposes to reduce this burden; and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) to (d) Reserve Bank of India (RBI) vide its circular dated June 10, 2021 on "Usage of Automated Teller Machines / Cash Recycler Machines – Review of Interchange Fee and Customer Charges", has allowed the banks to increase the ceiling on customer charges from ₹20 per transaction to ₹21 per transaction, beyond the free transactions from January 1, 2022 considering the need to balance expectations of stakeholder entities and customer convenience.

The following free ATM transactions including withdrawals shall continue to be offered by Banks to their savings bank account holders, including farmers and rural customers:

- (i) Five free financial transactions and any number of free non-cash withdrawal transactions every month at a Bank's own ATM (On-US transactions) at any location.
- (ii) A minimum of three free transactions (including financial and non-financial transactions) in a month at any other banks' ATM (Off-US transactions) at Metro locations (Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, and New Delhi).
- (iii) A minimum of five free transactions (including financial and non-financial transactions) at any other bank ATM (Off-US transactions) at non-Metro locations.

These free transactions are aimed at meeting the withdrawal needs of account holders, including farmers and rural customers through ATMs.

Further, it is not mandatory for a bank to impose charges on cash withdrawal transactions at ATMs, and the bank is free to allow more number of free transactions or impose a lower charge on such withdrawals.
