

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3224**

ANSWERED ON MONDAY, DECEMBER 16, 2024/AGRAHAYANA 25, 1946 (SAKA)

**LEVY OF SERVICE CHARGES BY BANKS ON CREDIT CARDS AT PETROL PUMPS**

3224. Shri Rajeev Rai:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that banks levy service charges on the usage of credit/debit cards at petrol pumps;
- (b) if so, the details thereof and if no, the reasons therefor signalling out transactions at petrol pumps for such service charges;
- (c) whether levying of such charges by the Banks is not an impediment in achieving the goal of less utilisation of cash in economy and promoting digital transactions; and
- (d) whether the Government has fixed any time line for removal of these service charges and if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (c) The Reserve Bank of India (RBI) in its Discussion Paper on Charges in Payment Systems dated August 17, 2022 stated that charges for payment services should be reasonable and competitively determined for users while also providing optimal revenue stream for the intermediaries. An effective payment system operation necessitates the proper determination of fees, charges, and prices to guarantee minimal costs for the users while providing suitable returns for the operators. The optimal scenario would involve allowing the market forces to dictate these cost-related structures, taking into account demand, supply, growth and user needs. Thus, the imposition of charges by the banks should not hinder the objective of reducing cash usage in the economy as long as it encourages greater adoption of digital payment channels.

(d) RBI has informed that they have not issued any instructions in this matter.

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