

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

UNSTARRED QUESTION NO. 3869

ANSWERED ON MONDAY, 24 MARCH 2025/ CHAITRA 3, 1947 (SAKA)

Penalty for not maintaining Minimum Balance in SBI

3869. Shri N K Premachandran:

Will the Minister of FINANCE be pleased to state:

- (a) whether SBI has levied fine / penalty on the customers for their default in maintaining minimum balance in their account and if so, the details thereof;
- (b) whether the Government proposes to continue to realize penalty from such customers and if so, the details thereof;
- (c) whether the Reserve Bank of India or SBI has fixed any amount to be maintained as minimum balance in the accounts and if so, the prescribed minimum balance in urban and rural areas;
- (d) the details of amount levied by SBI during the last five years on account of failure in maintaining minimum balance in the accounts, year-wise; and
- (e) whether the Reserve Bank has fixed service charges for each service of the banks and if so, the details thereof and the details of service charge imposed by SBI for each service?

Answer

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

(a) to (e) State Bank of India (SBI) has informed that there is no requirement of maintaining minimum balance in regular savings bank account. Also, it is not levying any penalty on account of non-maintenance of minimum account balance in regular savings bank account since March 2020.

As per extant RBI guidelines banks are required:

- i. To inform the customers regarding the requirement of minimum balance at the time of opening the account. Any subsequent changes should also be intimated to the account holders.
- ii. In case of non-maintenance of minimum balance, the bank should notify the customer about the penal charges which will be applicable if the balance is not replenished within one month from the date of notice.
- iii. It should be ensured that savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance.

Further, Reserve Bank of India (RBI), vide its circulars dated 20.11.2014 and 01.07.2015, has laid down guidelines regarding levy of penal charges on non-maintenance of minimum balances in savings bank accounts and service charges rendered by banks. Banks are permitted to fix penal charges and service charges, as per their Board Approved Policy, while ensuring that penal charges should be a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening the account. Banks accordingly have formulated slab structures for recovery of charges considering different geographies and segments.

RBI has informed that it does not maintain data on amount of service charges collected by banks.

Further, no minimum balance is required in Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. Therefore, no such penalty is charged on PMJDY accounts for not keeping minimum balance.