

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
STARRED QUESTION NO. *221

ANSWERED ON MONDAY, MARCH 9, 2026/PHALGUNA 18, 1947 (SAKA)

Excessive Bank Charges for not maintaining Minimum Balance

*221. SHRI SURESH KUMAR SHETKAR:

PROF. SOUGATA RAY:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Public Sector Banks have collected more than Rupees 8,000 crore from ordinary citizens for not maintaining minimum balance, if so, the details thereof along with the details of private banks still doing the same;
- (b) the total amount collected so far as penalty for not maintaining minimum balance in bank accounts, bank-wise;
- (c) whether the Government is aware that small depositors and daily wage earners are being penalised for insufficient balances despite the national push for financial inclusion, if so, the reasons therefor and the corrective action taken in this regard;
- (d) whether the Government is likely to order immediate reversal and recredit of unfairly collected Monthly Average Balance (MAB) charges from low-income account holders, if so, the timeline thereof and if not, the reasons therefor;
- (e) whether the RBI/Government has taken any decision to write off penalty charges for not maintaining minimum balance in bank accounts and if so, the details thereof;
- (f) whether there is any judgement by Court(s) for writing off penalty charges, if so the details thereof;
- (g) whether banks are prioritising revenue generation through penalties instead of public service obligations expected from taxpayer-supported institutions and if so, the response of the Government thereto; and
- (h) whether customers were adequately warned before deduction of penalties or whether the charges were imposed automatically without informed consent and if so, the details thereof and safeguards in place in this regard?

ANSWER

THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (h): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. *221 FOR MARCH 9, 2026, REGARDING “EXCESSIVE BANK CHARGES FOR NOT MAINTAINING MINIMUM BALANCE” BY SHRI SURESH KUMAR SHETKAR and PROF. SOUGATA RAY, HON’BLE MEMBERS OF PARLIAMENT

(a) to (h) Banks offer zero-balance savings accounts facility. These accounts are *inter alia* comprised of Basic Savings Bank Deposit Accounts (BSBDAs) including the accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), to ensure universal access to banking facilities, particularly for unbanked, vulnerable and small depositors, and to promote financial inclusion through affordable and accessible banking services. These accounts do not require maintenance of any minimum balance and provide basic banking services such as deposits, withdrawals and ATM access free of charge, without levy of any penal charges. Accordingly, approximately 72 crore BSBDAs, including, PMJDY accounts are not subject to any penal charges for non-maintenance of minimum balance.

For accounts other than BSBDAs including PMJDY accounts, banks may levy charges for non-maintenance of Minimum Monthly Average Balance (MAB) in accordance with their Board-approved policies and the extant instructions of the Reserve Bank of India (RBI), which require that such charges be reasonable, transparent and broadly aligned with the cost of providing the services.

During FY 2022–23 to FY 2024–25, Public Sector Banks (PSBs) have collected ₹8,092.83 crore from deposit account holders comprising of current account and savings account holders, on account of non-maintenance Minimum Monthly Average Balance (MAB). The bank-wise details of charges collected for non-maintenance of Minimum Monthly Balance by Public Sector Banks and Private Sector Banks are provided in the Annexure.

The amount of ₹8,092.83 crore collected over the last three financial years constitutes approximately 0.23% of the total income of Public Sector Banks during the same period, indicating that such charges form only a very small proportion of banks’ income and are primarily aligned with the cost of providing banking services rather than revenue generation through penalties.

To further enhance customer centricity and promote inclusive banking PSBs have reviewed their service charge structures. While, in accordance with board-approved policies and commercial considerations, SBI had completely waived off penal charges for non-maintenance of minimum MAB in saving accounts since March 2020, in 2025 nine more PSBs have completely waived off such charges. The remaining two PSBs have also rationalised minimum balance charges in 2025.

RBI has informed that information regarding Court judgments on waiver or write-off of penal charges for non-maintenance of minimum balance is not maintained by it. Further, as per available information, no general direction has been issued by the Hon’ble Supreme Court or any High Court mandating waiver or refund of such penal charges across banks.

In cases of non-maintenance of the agreed minimum balance in bank accounts, banks have been advised by RBI to notify customers through SMS, email, letter or other appropriate means. Customers are generally provided time to restore the required minimum balance before penal charges are applied as per extant regulatory guidelines.

Annexure

Lok Sabha Starred Question no. 221 dated 9.3.2026 regarding “Excessive Bank Charges for not maintaining Minimum Balance”

Details of charges collected by Public Sector Banks in last 3 years:

(₹ in crore)

Bank	Charges levied for non-maintenance of Minimum Average Balance (Current account & Savings account)		
	FY 2022-23	FY 2023-24	FY 2024-25
Bank of Baroda	387.52	443.30	441.35
Bank of India	174.99	194.25	170.83
Bank of Maharashtra	131.77	143.69	152.86
Canara Bank	390.85	358.67	277.71
Central Bank of India	150.81	135.31	97.19
Indian Bank	295.23	367.66	503.38
Indian Overseas Bank	13.00	15.06	15.55
Punjab & Sind Bank	19.02	42.53	48.57
Punjab National Bank	486.16	674.04	417.67
State Bank of India*	211.47	302.95	418.40
UCO Bank	18.30	43.43	53.56
Union Bank of India	128.70	188.21	178.84

Source: Public Sector Banks

* Amount pertains to current account as SBI had completely waived off penal charges for non-maintenance of Minimum Average Balance in saving accounts since March 2020.

Details of charges collected by Private Sector Banks in last 3 years:

(₹ in crore)

Bank	Charges levied for non-maintenance of Minimum Average Balance		
	FY 2022-23	FY 2023-24	FY 2024-25
Axis Bank Limited	878.23	826.45	1,001.29
Bandhan Bank Limited	-	43.26	73.54
City Union Bank Limited	75.35	31.86	35.45
CSB Bank Limited	25.29	35.58	44.15
DCB Bank Limited	8.73	9.94	11.75
Dhanlaxmi Bank Limited	-	-	-
Federal Bank Limited	86.21	102.76	132.42
HDFC Bank Limited	1,036.05	1,316.80	1,518.92
ICICI Bank Limited	400.45	433.06	391.28
IDBI Bank Limited	76.17	59.31	75.73
IDFC First Bank Limited	91.93	120.44	119.18
IndusInd Bank Limited	92.68	108.76	170.60
Jammu & Kashmir Bank Limited	-	30.52	47.67
Karnataka Bank Limited	-	-	-
Karur Vysya Bank Limited	51.99	50.14	49.84
Kotak Mahindra Bank Limited	192.26	261.24	254.26
Nainital Bank Limited	-	-	-
RBL Bank Limited	28.33	28.92	33.43
South Indian Bank Limited	41.83	62.61	89.45
Tamilnad Mercantile Bank Limited	26.71	28.76	30.03
Yes Bank Limited	59.75	69.66	119.89

Source: Reserve Bank of India
