

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

UNSTARRED QUESTION No. 1076

TO BE ANSWERED ON 22ND JULY, 2016 (FRIDAY)/ASHADHA 31, 1938 (SAKA)

Bank Usage Charges

1076. SHRI KIRTI AZAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public and Private Sector Banks are levying usage charges on ATMs/internet banking and other transactions from customers, if so, the details thereof;
- (b) whether the Government/RBI has any proposal to do away with the extra charges from the bank account holders; and
- (c) if so, the details thereof along with the steps taken by the Government in this regard?

Answer

**The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (c) As per present guidelines of Reserve Bank of India (RBI), from November 1, 2014, banks are mandated to offer minimum five free transactions per month in own bank ATMs and three in other bank ATMs in six metro centres (Mumbai, New Delhi, Chennai, Kolkatta, Bengaluru and Hyderabad). In non-metro centres, minimum five free transactions per month in own bank ATMs and five in other bank ATMs are mandated. Banks are free to offer free transactions above the mandated limit specified by RBI. Beyond the specified mandated limits, the ceiling/cap on customer charges of Rs.20/- per transaction (plus service tax, if any) will be applicable.

RBI has further informed that it has prescribed maximum charges for National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) and Cash at Point-of-Sale (PoS) that can be levied to a customer. The details of charges are given in **Annexure**.

RBI has further informed that while fixing service charges banks have to ensure that:

- (i) The charges are reasonable and not out of the line with the average cost of providing these services.
- (ii) 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.

ANNEXURE

Lok Sabha unstarred Q. No. 1076 for 22.07.2016 – Bank Usage Charges

NEFT charges:

Value Band	Maximum Charges (exclusive of service tax)
Amounts up to Rs.10000/-	Rs.2.50
Amounts from Rs.10001/- to Rs.1 lakh	Rs.5.00
Amounts above Rs.1 lakh upto Rs.2 lakh	Rs.15.00
Amounts above Rs.2 lakh	Rs.25.00

RTGS Charges:

RTGS Transaction	Maximum Customer Charges (exclusive of service tax)
Inward transactions	Free
Outward transactions	
Rs.2 lakh to Rs.5 lakh	Rs.25/- + applicable time varying charges, subject to a maximum of Rs.30/-
Above Rs.5 lakh	Rs.50/- + applicable time varying charges, subject to a maximum of Rs.55/-

Cash withdrawal at Point-of-Sale (PoS):

The limit for cash withdrawal at PoS has been enhanced (for debit cards and open system prepaid cards issued by banks in India) from Rs.1000/- to Rs.2000/- per day in Tier III to Tier VI centres (population upto 49999). Customer charges, if any, levied on cash withdrawals shall not exceed 1% of the transaction amount at all centres.

User Charges for Internet Banking:

RBI has not issued any instructions in this regard.
