

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:715  
ANSWERED ON:25.02.2011  
ACCOUNTS CLOSED BY FOREIGN BANKS  
Hazari Shri Maheshwar

**Will the Minister of FINANCE be pleased to state:**

- (a) whether certain foreign banks operating in the country close the accounts at any time and debit a substantial amount from the accounts of such persons who fail to maintain minimum balance in their accounts;
- (b) if so, the details thereof;
- (c) whether any written warning or prior intimation is given to such consumers before closing their accounts;
- (d) if not, the reasons therefor; and
- (e) the details of the amount debited by the said banks from the accounts of said consumers alongwith the number of accounts closed during the year 2009-10?

**Answer**

MINISTER OF THE STATE IN MINISTRY OF FINANCE {SHRI NAMO NARAIN MEENA)

- (a) & (b): Reserve Bank of India (RBI) has not stipulated any minimum balance to be maintained in savings bank accounts and also not stipulated levy of any service charge, if the minimum balance is not maintained in such accounts. Such stipulations are made by individual banks themselves. However, in terms of RBI's circular on `Customer Service1, banks have been advised to display on their websites information relating to interest rates and service charges including information on the minimum balance in deposit accounts to enable customers to obtain the desired information at a quick glance.
- (c) & (d): In terms of RBI's Master Circular on `Interest Rates on Rupee Deposits held in Domestic, Non-Resident Ordinary (NRO) and Non-Resident External (NRE) Accounts`, banks have been advised that they should inform customers in a transparent manner regarding the requirement of maintenance minimum balance and levying charges, etc. if the minimum balance is not maintained at the time of opening savings bank accounts. Any subsequent change with regard to maintenance of minimum balance and the charges should also be intimated to the account holders.
- (e): RBI has informed that their information management system does not collect data in this manner.