

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:875

ANSWERED ON:25.02.2011

ATM COMPLAINTS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Chaudhary Shri Arvind Kumar;Chauhan Shri Sanjay Singh;Gaikwad Shri Eknath Mahadeo;Gowda Shri D.B. Chandre;Kataria Shri Lal Chand;Mahajan Smt. Sumitra;Punia Shri P.L. ;Shukla Shri Balkrishna Khanderao Balu Shukla;Singh Shri Uday Pratap

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received complaints involving loss of money due to defects in the ATM Machines/ATM cards;
- (b) if so, the details thereof for the last three years and the current financial year;
- (c) whether the Government has directed the banks to shift to chip based ATM cards from the existing magnet strip ATM cards so as to protect the interests and confidential data of the customers; and
- (d) if so, the follow-up action taken by the Government/RBI to protect the interests of the customers using ATM/ Debit/Credit cards?

Answer

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

(a) and (b): The Bank customers can access their account and withdraw cash through ATMs of any bank across the country on a 24 x 7 basis. Despite best efforts, the success of ATM transactions depends on external factors such as leased line, VSAT, networks of other banks and uninterrupted power supply. Absence of any of the above at the time of transaction processing may cause failure of ATM transactions, non-delivery of cash, etc. thus there are cases when a customer's account is debited, but cash is not dispensed. Upon receipt of such complaints from customers, banks verify the facts with records maintained by ATMs and credit back the amounts to the customers. Available details of such type of complaints involving loss of money due to defects in the ATM machines/ ATM cards are as under:-

Complaints Received	ATM	Credit Card	Debit Card
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2009-10	4346	13320	523
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2010-11 till date	4056	12057	795
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(c) and (d): Reserve Bank of India (RBI) has issued a circular dated July 17, 2009 for reconciliation of ATM failure transactions. According to this circular, if cash has not been disbursed by ATM but the account of the customer has been debited, the customer's account is to be re-credited within twelve days of the complaint lodged by customer, failing which the bank has to pay the compensation @ Rs. 100/ per day to the customer.