

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5782  
ANSWERED ON:11.05.2012  
HORIZONTAL WITHDRAWAL OF FUNDS QUESTION  
Rama Devi Smt. ;Yadav Shri M. Anjan Kumar

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

- (a) whether incidents of unauthorized withdrawal of money from the accounts of their account holder customers by the bank officials/employees in several banks reported from various parts of the country;
- (b) if so, the details thereof for the last three years, bank-wise
- (c) the action taken/proposed to be taken by the Government against such officers/ employees along with the outcome thereof;
- (d) if not, the reasons therefore; and
- (e) the corrective measures taken/proposed to be taken by the Government to check such cases?

**Answer**

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

- (a) & (b): Yes, Sir. Information as provided by Public Sector Banks has been compiled as per statement annexed.
- (c) & (d) : Amount involved is promptly recovered from the concerned Officer/employee; complaint is lodged with CBI/Local police for initiating criminal action ; staff side action is initiated against the concerned officer including placing under suspension and exemplary punishment like termination /dismissal/compulsory retirement from service of the bank.
- (e) : RBI vide its circular dated 8.4.2002 has given instructions to all the banks regarding reversal of erroneous debits arising on fraudulent or other transactions, in terms of the above circular, banks were advised that:
  - (i) Once the bank is convinced that an irregularity /fraud has been committed by its staff towards any constituent, it should at once acknowledge its liability and pay the just claim,
  - (ii) In case where the bank is at fault, they may compensate the customer without demur,
  - (iii) In case where neither the bank nor the customer is at fault , but the fault lies elsewhere in the system, banks should compensate the customers up to limit (the limit to be fixed by the banks as part of a Board approved Customer Relations Policy). Besides above, banks take the following steps to curb such frauds :  
Disciplinary action on delinquent officials acts as a deterrent; implementation of staff rotation policy .strict adherence to prescribed systems and procedures and making these systems more stringent; popularising the whistle blower policy ; checking of staff accounts at regular intervals. Besides this, preventive vigilance audit is carried out at Zonal and Regional levels ; sessions on ethical behaviour/ values are included in the training sessions; modus operandi of the incident is circulated amongst the employees for taking precautions and loop-holes exposed by the incidents are plugged.