

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6937
ANSWERED ON:18.05.2012
PROCESSING FEE ON SBI DEBIT CARDS
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Will the Minister of FINANCE be pleased to state:

- (a) whether State Bank of India (SBI) levies service / processing fee on purchase of petrol by using debit cards.;
- (b) if so, the details and justification thereof;
- (c) whether other Public Sector Banks (PSBs) except SBI do not levy such charges;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether SBI intends to discourage the use of debit card by levying such processing / service charges; and
- (f) if so, the reaction of Government thereto?

Answer

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

(a) to (d): Service / processing fee on purchase of petrol known as Fuel Surcharge, currently 2.5% of the transaction value or Rs. 10/- whichever is higher, is a charge levied by Acquiring Banks (Banks which install Point of Sale Terminals at fuel stations) as an industry practice. State Bank of India or any other public sector banks as an issuer of Debit Cards used by the customer for purchase of fuel, merely debits the charge to the customer and passes it on the Acquiring banks. In case, the charges are not levied and passed on to the debit card user by any Bank, the same have to be borne by the said bank and paid to the Acquiring Bank.

(e) & (f): SBI has informed that it, as the largest Debit card issuer in the country, has always promoted debit card usage at Point of Sale and for e-commerce and has been, for the past about 8 months, running TV Commercial for educating the customers about debit card usage at these channels (Point of Sale Terminal and On-line).