

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1262
ANSWERED ON:30.11.2012
BANK CHARGES IN CURRENT ACCOUNTS
Bali Ram Dr. ;Gawali Patil Smt. Bhavana Pundlikrao

Will the Minister of FINANCE be pleased to state:

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- (a) whether the Scheduled Commercial Banks in the country are allegedly charging heavily for depositing cash in current accounts;
- (b) if so, the details thereof, bank-wise and State-wise including Maharashtra;
- (c) whether the Government has received any complaints in this regard;
- (d) if so, the details thereof;
- (e) whether the Government proposes to conduct any inquiry in this regard and issue necessary instructions to reimburse such charges; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) & (b): Reserve Bank of India (RBI) has informed that in the context of granting greater functional autonomy to banks, operational freedom has been given to banks on all matters pertaining to banking transactions. With effect from September, 1999, banks have been given the freedom to fix service charges for various types of services rendered by them. RBI advised banks that while fixing services charges, banks are required to ensure that the charges are reasonable and not out of line with the average cost of providing these services.

(c) & (d): RBI had also issued a circular on 02.02.2007 advising scheduled commercial banks to identify basic services on the basis of broad parameters indicated by the Working Group and the principles to be adopted / followed by banks for ensuring reasonableness in fixing and communicating service charges for the basic banking services.

(e) & (f): RBI being a prudent regulator issues instructions / guidelines on such issues, if necessary, and monitors their implementation.