

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1182
ANSWERED ON:30.11.2012
FAULTY ATMS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the consumers/account holders face hardship due to frequent hitch in the ATMs of public sector banks (PSBs);
- (b) if so, the details thereof and reaction of the Government thereto ;
- (c) whether there is any shortage of technical staff to rectify the faulty ATMs ; and
- (d) if so, the details thereof and the steps taken/proposed to be taken by the Government to ensure the smooth functioning of ATMs and to protect the interests of the customers ?

Answer

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

(a)&(b): Consumers and account holders of Banking Services are facing hardships due to occasional hitches in ATM transactions, which mainly pertain to short or no dispensation of cash from ATMs when such incidents are accompanied with the customer's account being debited full amount. Hitches in ATMs generally include factors such as network link down, power failures, printer failures, cash dispenser problems etc. Other hitches relate to receipt error withdrawal, other receipt error, cash deposit error, cassette block, low cash and administrative incompleteness etc. ATM related complaints are one of the grounds for complaints before the Banking Ombudsman. The number of complaints on ATM/Debit/Credit Cards handled by the Banking Ombudsman over the past three years are as under-

Year Number of complaints

2009-10	18,533
2010-11	16,871
2011-12	14,237

(c) : The deployment and maintenance of ATMs/Cash Dispensers (CDs) are managed/carried out through vendors on outsourced model under Annual Maintenance Contracts (AMCs) executed with the vendors. The vendors are expected to rectify ATM hitches/faults within 2 hours in city areas and within 5 hours beyond city area and this downtime should not exceed 24 hours on reporting of the complaints. If ATMs are down for more than the stipulated time, applicable penalties are levied on the vendors. Since ATMs defects/faults are rectified by the technical staff of the service providers within the stipulated time, therefore, no complaints/information about the shortage of staff to rectify the faulty ATMs with the vendors has been reported.

(d) : The Reserve Bank of India has taken steps to ensure smooth functioning of ATMs and protecting the interests of the customers. Considerable improvement is now taking place in the quality of the services provided through ATM systems. Frequent breakdowns are being arrested and 24/7 monitoring is being done by the outsourced vendors. ATM uptime in Public Sector Banks have been found to be more than 98.5% and percentage of faulty ATMs has been found to be low. ATM performance is generally monitored on the basis of factors like: - Cash-out position ; cash-Handler faults ; Reject bin full; supply out position ; power; Communication; and Hardware related issues.