

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1696  
ANSWERED ON:16.08.2013  
UPDATING CUSTOMER INFORMATION  
Thomas Shri P. T.

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

- (a) whether the Government / Reserve Bank of India (RBI) issues directions to all the banks for updating their customers in time about any changes effected by them in the interest rates from time to time;
- (b) if so, the details thereof;
- (c) whether instances of some banks not adhering to the above directions have come to the notice of Government / RBI in the recent past;
- (d) if so, the details thereof for the last three years and the current year, bank-wise; and
- (e) the remedial steps taken / proposed to be taken by the Government in this regard?

**Answer**

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

(a)& (b): As per the Fair Practices Code for Lenders issued by Reserve Bank of India (RBI) on 05.05.2003, lenders should give notice of any change in the terms and conditions including interest rates, service charges, etc. Since transparency in the pricing of lending products has been a key objective, banks have been advised by RBI to exhibit the information on their Base Rate at all branches and also on their websites. RBI has further advised that changes in the Base Rate should also be conveyed to the general public from time to time through appropriate channels.

Besides, in terms of Master Circular dated 01.01.2013 on Customer Service, all banks have been advised that the change in interest rate on deposits should be made known to customers as well as bank branches expeditiously.

(c) to (e): RBI has not reported any such instance having come to their notice.