

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:217

ANSWERED ON:23.08.2013

BANK CHARGES FOR SMS ALERTS

Pratap Narayanrao Shri Sonawane;Putul Kumari Smt.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public/Private Sector Banks in the country are reportedly charging their customers for providing SMS facilities for various transactions from their accounts;
- (b) if so, the details thereof along with the amount charged/collected by banks in this regard during each of the last three years and the current year, bank-wise;
- (c) whether the Reserve Bank of India (RBI) has laid down any guidelines in this regard and if so, the details thereof;
- (d) whether it has been made compulsory for the account holders to provide their mobile numbers to the banks and if so, the details thereof; and
- (e) whether the Government/Reserve Bank of India proposes to withdraw the charges levied by banks for providing SMS facilities to the account holders and if so, the details thereof and if not, the reasons therefor?

Answer

THE FINANCE MINISTER (SHRIP. CHIDAMBARAM)

(a) to (e):-A statement is laid on the Table of the House

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No.217 for 23.08.2013 tabled by Shri Sonawane Pratap Narayanrao and Shrimati Putul Kumari.

(a) and (b):- As per information received from Public Sector Banks, IDBI Bank, Punjab National Bank, State Bank of India, State Bank of Patiala and Vijaya Bank are currently charging their customers for SMS alerts. The details are enclosed in Annex.

(c) to (e):- Reserve Bank of India (RBI) has issued guidelines in March, 2011 advising banks for sending online alerts to the customers for all types of transactions irrespective of the amount, involving usage of cards at various channels. RBI has reported that it has not issued any guideline on charging by banks for providing these alerts to their customers. Banks have been advised to proactively register the mobile numbers / e-mail IDs of their customers for sending alerts and also educate their customers to intimate changes, if any. They have also been advised that these details should be updated periodically along with KYC details. In the absence of mobile number / email ID at the banks, the customer will be deprived of online alerts which can help in preventing the frauds in payment systems to a large extent.

It is not compulsory for the account holder to provide his mobile number. If mobile number is provided and the customer is in favour of availing of SMS facility, the bank provides SMS alerts. No proposal is under consideration of the Government to withdraw the charges levied by banks, for this purpose.