

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2869
ANSWERED ON:30.03.2012
DEFECTIVE ATMS
Dubey Shri Nishikant

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of complaints involving loss of money due to defects in the ATM Machines/ATM cards during each of the last three years and the current year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has directed the banks to shift to chip based ATM cards from the existing magnet strip ATM cards so as to protect the interests and confidential data of the customers;
- (d) if so, the details thereof;
- (e) whether the banks have paid any compensation for not recrediting the customer's account towards cash not disbursed by ATM during the said period; and
- (f) if so, the details thereof, bank-wise alongwith the other corrective steps taken/being taken by the Government/RBI in this regard?

Answer

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

(a) & (b) :- Yes, Sir. Reserve Bank of India (RBI) have reported that complaints involving loss of money due to defects in ATM Machines / ATM Cards for the last four years are as under :-

(In lakhs)

Sr. No.	Calendar Year (Jan-Dec)	Total cases reported	Amount involved
1.	2008	153	246.01
2.	2009	296	279.00
3.	2010	275	335.19
4.	2011	487	706.82

Non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank of India on ATM/Debit card operations or credit card operations is one of the grounds of complaint under the Banking Ombudsman Scheme 2006. Failure to withdraw/short dispensation of cash is one of the causes of such complaints. 15 Offices of the Banking Ombudsman situated across the Country receive and resolve complaints pertaining to ATM/Debit Card operations of banks.

(c) & (d): Banks are free to migrate to EMV chip and pin based technology based on their commercial judgement and on the basis of decisions taken by their respective boards. Card issuers have, however, been advised by the Reserve Bank of India (RBI) to be ready from technical perspective to issue EMV cards by June 30, 2013.

(e) & (f): Yes, Sir. Under the existing regulatory guidelines, ATM related customers complaints are required to be resolved by the issuing banks within 7 working days from the date of receipt of customers' complaint and failure to recredit the customer's account within 7 working days of receipt of the complaint shall entail payment of compensation to the customers @ Rs. 100/- per day by the issuing bank. A statement showing Bank-wise details of complaints received for the year 2011 is attached.