



State Consumer Helpline Knowledge Resource Management Portal
(SCHKRMP)
(A National Nodal Agency)

Ref. No. IIPA/SCHKRMP/2014-15
Dt. 27/08/2014

Sub: RBI's anti-consumer move regarding usage of ATMs – Rationalisation of numbers of free transactions at own bank as well as other bank ATMs.

Dear Shri, *Parida,*

I am attaching a Letter No. IIPA/SCHKRMP/ATM/2014-15 dated. 04/06/2014 bring the matter to the lime light due to the proposed move of IBA for withdrawal of free non-home bank ATM transactions. The copy of letter was sent to RBI also.

We are surprised to see that RBI has issued notification no. RBI/2014-15/179 DPSS. CO.PD.No.316/02.10.002/2014-15 dated 14/08/2014 without considering the basic points raised in the letter as stated above. The letter not only have been ignored but RBI has even notified the limit of free transactions in own bank.

While all of the points raised in the above stated letter were of consumer interest the point no.8 pertain directly to the financial concern of the consumers while transacting at ATM. The RBI notification even stipulates the limitation of five transactions at own bank ATM and three transaction at other banks including financial and non-financial transactions. A customer goes to an ATM machine, enters password, and enters the amount to be withdrawn and later on a transaction slip come out from an ATM machine saying transaction decline. There have been instances when the under-privileged consumer (even in the metro cities) keeps trying withdrawal of money 2-3 times as the machine never displays "cash not available". Such operations are frequently being observed in the Indian Banking industry even in the metro. It is attributed to deficiency in the service. RBI does not address such issue. The basic question arises as to why any consumer should pay for the inefficiency of the bank. The three conditions as stated in point no. 8 of the said letter dated 04/06/2014 are quite regular and are being faced practically by any consumer. These conditions such as ATM not working, cash not available in the machine or insufficiency of the ATMs in the cities are directly related to inadequate infrastructure of the bank. While there is inefficiency of the bank to maintain the ATM, the customer is getting charged. The RBI taking a decision without addressing the consumer's concern seems to have been taken in haste against the interest of the consumers.

Department of Consumer Affairs is requested to take the matter with RBI and Ministry of Finance so as to ensure that the interest of the consumers is protected. Meanwhile RBI's said notification is becoming effective from 1st November 2014. It needs to be kept in abeyance till the issues prevailing against the interest of consumers are addressed appropriately.

Rajendra

Yours sincerely

Suresh Misra

(Prof. Suresh Misra)
Project Director

[Signature]

Shri. Manoj Parida
Joint Secretary (CA)
Department of Consumer Affairs,
Ministry of Consumer Affairs, Food & Public Distribution,
Krishi Bhawan,
New Delhi – 110 001