

04:05 PM 08 DEC EOD	சென்செக்ஸ் 33,250 ▲ 301.09	நி:படி 50 10,265 ▲ 98.95	கோல்டு (எம்சிஎக்... 28,547.00 ▼ -120.00	யுஎஸ்டி/ஐஎ... 64.46 ▼ -0.11	CREATE PORTFOLIO	FF-டி மார்க்கெட்ஸ்...	CHOOSE LANGUAGE TAM
------------------------------	--------------------------------------	------------------------------------	---	---------------------------------------	-------------------------	---------------------------------	-------------------------------

Cutting free ATM withdrawals to three being considered

BY SALONI SHUKLA, ET BUREAU | UPDATED: JAN 16, 2017, 10.50 AM IST

Post a Comment

MUMBAI: If you thought not being able to withdraw as much as you wanted to from ATMs was painful, here's some more worry coming your way. The government is considering a proposal to reduce the free withdrawals by more than half to just three, instead of the nearly 8-10 now, including from banks where one has accounts.

Big Change:
The end of Five-Year Plans: All you need to know

This proposal, floated by bankers, was discussed in the pre-budget consultations with the finance ministry, and the feeling was that this is one of the ways to push digital, said people familiar with the matter.

"A proposal to bring down free ATM transactions to three per month has been discussed with the finance ministry, and this is one of the measures being considered to disincentivise use of cash," a senior banker said on the condition of anonymity.



"Those free transactions were decided during a different era, but things have changed now and we need to change with that," another private banker said. "If only three free transactions are allowed, then people will be inclined to shift to digital transactions."

Currently, most banks allow own customers up to five free ATM transactions every month after which a fee of Rs 20 per transaction plus service tax is applied. For non-customers, banks offer three free transactions in top six metros — Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad — and five free transactions in the remaining cities. These rules have been there since Nov 2014.



Improve your power, vigor, vitality & stamina
ZEEAYURVEDA



Hair fall? Buy this product to see the amazing results

Purelyherbs Hair Regrowth

Recommended By Colombia

According to most banks, ATM transactions since November have been sporadic and have fallen anywhere between 10% and 20%. If they drop further, costs will rise making the ATM business unviable.

"If the number of transactions on ATMs comes down, then we will have to figure out a strategy to discourage cash," one of the bankers cited above said. "One can look at increasing transaction charges at ATMs to improve the economics of doing business, but the government wants to reduce transaction cost for customers, so that may not happen." Banks charge an interchange fee which ranges from Rs 15 to Rs 20 if a customer uses the ATM of a non-home bank.

This is a fee the customer's bank pays to the one that maintains the ATM. The first three transactions at other ATMs are free but after this, the bank can choose to pass on the cost to the consumer.

Just last week, NITI Aayog CEO [Amitabh Kant](#) had said that cards, ATMs and PoS machines would become redundant in the country by 2020. " ... by 2020, my view is that in the next two-and-a-half years, India will make all its debit cards, credit cards, all ATM machines, all POS machines totally irrelevant," Kant had said. "India will make this jump because every Indian will be doing his transaction just by using his thumb in thirty seconds...."

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by

Live Market
News
Portfolio
Mobile
Live TV
Biz Listings

Industry
Newsletters
Commodities
Speed
Blogs
RSS

About Us
Create Your Own Ad
Advertise with Us
Terms of Use & Grievance Redressal
Privacy policy

FOLLOW US

Download it from
APP STORE

Download it from
GOOGLE PLAY

Download it from
Windows Store

Other Times Group news sites

इकनॉमिक टाइम्स | ુੱਓਨੋਮਿਕ ਟਾਈਮਜ਼ | Pune Mirror | Bangalore Mirror | Ahmedabad Mirror | ItsMyAscent | Education Times | Brand Capital | Mumbai Mirror | Times Now | Indiatimes | नवभारत टाइम्स | महाराष्ट्र टाइम्स | ವಿಜಯ ಕರ್ನಾಟಕ | Go Green | AdAge India | Eisamay | IGN India | NavGujarat Samay | Times of India | Lifestacker | Gizmodo | Samayam Tamil | Samayam Telugu | Miss Kyra | Bombay Times | Filmipop

Living and Entertainment

Timescity | iDiva | Entertainment | Zoom | Healthmeup | Luxpresso | Gadget Reviews | Titanium & Platinum Credit Card | Online Songs | MensXP | Hotels | Travel Destinations | Cricbuzz | Recipes | Gaana | Happytrips | Getsmartapp

Interest Network

itimes

Hot on the Web

How to Save Income Tax | Aadhaar Card | GST Rates | Gujarat Elections 2017 | GST | Business News | Income Tax | Sensex Today | Gold Rate | Sensex | Income Tax Calculator | Aadhaar

Services

Book print ads | Online shopping | Matrimonial | Astrology | Jobs | Tech Community | Property | Buy car | Bikes in India | Free Classifieds | Send money to India | Used Cars | Restaurants in Delhi | Remit to India | Buy Mobiles | Listen Songs | News | TimesMobile | Real Estate Developers | Restaurant Deals in Delhi | Car Insurance | Gadgets Now | Free Business Listings | CouponDunia | Remit2India | Techradar | AliveAR | Getsmartapp App | ETMoney Finance App | Feedback

In Case You Missed It

[Gold Rate](#)

[What is Bitcoin](#)

[Pan Card](#)

[Bank FD Rates](#)

[Silver Price](#)

[H1B Visa](#)

[Aadhaar Card](#)

[SBI Share Price](#)

Infosys Share Price

Sensex

Nifty

Crude Oil Price

Copyright © 2017 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)