

04:05 PM | 05 JAN **CLOSED**

சென்செக்ஸ்

நி:பிடி 50

கோல்டு (எம்சிஎக்...

யுஎஸ்டி/ஐஎ...

[CREATE PORTFOLIO](#)
[FF-14 மார்க்கெட்ஸ்...](#)
[CHOOSE LANGUAGE TAM](#)
[MARKET STATS](#)

34,153 ▲ 184.21

10,558 ▲ 54.05

29,215.00 ▼ -15.00

63.37 ▼ -0.04

## There is nothing that can stop banks from systematically fleecing you. Here's why

BY ET CONTRIBUTORS | UPDATED: MAR 14, 2017, 10.32 AM IST

[Post a Comment](#)
By **Dhirendra Kumar****Big Change:**
[The end of Five-Year Plans: All you need to know](#)

India's biggest private sector banks have nothing but contempt for their customers.

They've made this absolutely clearly by the way they have reacted to the enormous amount of public criticism they have received for the new fines (or service charge or whatever they call it) on cash transactions, as well as for the myriad other charges that banks keep deducting from the customers' money.

As far as anyone from any bank has answered the criticism, it is merely to point out that the fines, charges and deductions are in keeping with the regulations. However, that's hardly an answer because the whole point that angry customers are making is that the regulations are inadequate and unfair.

Our banking regulator, the [Reserve Bank of India](#), has failed to protect customers from the rapacious ways of the banks. There are a lot of attempts to obfuscate what this entire matter in a fog of claims about regulations and good service and bad service and what not.

However, there are two fundamental points that all of us who are customers of these banks need to keep a public focus on. One: Why is it that banks, unlike any other business, are allowed to unilaterally take away your money? As I wrote earlier, when any other business needs you to pay for anything, they have to ask for the money and wait till you actually hand it over.

If you go to a shop, and the shopkeeper feels that you are spending too much time there and he's incurring extra cost, he cannot reach into your pocket and pull out some cash.



Build your brand by targeting right audience on Colombia

COLOMBIA



Burn Excess Body Fat with this healthy trick(Try it Today)

NutraLyfe

Recommended By Colombia

That would be a crime. But banks can do the equivalent. Why is this the case? What we need is a fundamental change to banking laws so that whenever a bank has to charge you for a service, they should send you bill and you make a payment against that bill. They should not be allowed to just take your money, just like other businesses are not allowed to do so.

Reserve Bank of India has failed to protect customers from the rapacious ways of the banks.

Of course, the banks and their so-called regulator will come up with a million reasons as to why banks must continue to be allowed to dip into your pocket whenever they feel the need.

However, I think this is just the kind of issue that is appropriate for Public Interest Litigation (PIL). Let's look at the second issue now.

Two: Why is the regulator not bothered about the details of how these fines and charges are calculated? When a [bank charges](#) Rs 150 for cash withdrawal, does it actually cost that much? Or a pro-rata charge of Rs X per thousand?

Does the cost escalate linearly with the amount of transaction?

Or consider the ridiculous charge that one bank has imposed on some transactions at any branch other than the 'home branch'. Does it actually cost extra to use a networked computer system at a different branch from the customers' own? Is this bank going back to the days of branch banking? Now, we should not be asking these questions from these banks. They will spin something in polite PR language but basically ask us to buzz off because they are following regulations.

It's the [RBI](#) that needs to answer the questions. How close a tab does it keep on what the banks are charging, individually and in aggregate. Does it even collect the data? Can we have a list of what percentage of each bank's income comes from such fines and charges?

Has the RBI studied whether fines and charges are managed in such a way as to create non-compliance and thus be a source of revenue? The answers are obvious. However, it's also obvious that the RBI won't actually give these answers to customers.

In fact, this is exactly the kind of situation that the Right to Information law is meant for. The RBI is always in the news for monetary policy or licensing or its leadership. That mostly obscures the fact that its track record in consumer protection is terrible. It's time for bank customers to step up, get organised and start forcing some changes.

*(Dhirendra Kumar is the CEO of Value Research)*

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](#) | [ईशेनोमिक्स टाइम्स](#) | [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](#) | [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

[Income Tax Slabs](#) | [Aadhaar Card](#) | [How to Save Income Tax](#) | [GST Rates](#) | [IPL Retention List](#) | [GST](#) | [Income Tax](#) | [Sensex Today](#) | [Budget 2018](#) | [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](#)

[Infosys Share Price](#)

[Nifty](#)

[Silver Price](#)

[H1B Visa](#)

[Aadhaar Card](#)

[SBI Share Price](#)

[Sensex](#)

[Crude Oil Price](#)