

SBI customers will have to pay higher service charges from today

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Charges for ATM use, non-maintenance of minimum balance and cash-handling increased

KEY CHARGES

- Own-bank ATM charges doubled from ₹5 to ₹10 after mandatory free use
- Minimum balance in metros: ₹5,000
- Minimum in city/town branches: ₹3,000
- Minimum balance in semi-urban branches: 2,000
- Minimum balance in a village branch: ₹1,000
- If cash deposit exceeds ₹1 lakh in a month in SB accounts, ₹1.25 per ₹1,000 will be charged.
- ₹50 per bundle will be recovered as cash handling charges for small-denomination notes
- Debit card charges of ₹30 per quarter will be levied where the average balance is less than ₹15,000
- For current accounts with a minimum average balance of ₹1,000 - ₹5,000 charges range from ₹170 to ₹190



State Bank of India

Hyderabad, March 31:

Discretion could well be the better part of banking transactions from next week, thanks to the steep hike in some key service charges.

Effective April 1, State Bank of India, the behemoth that has grown bigger following the merger of its five associates with itself, will levy fresh charges on account holders, including on their minimum balance, ATM use and cash-handling.

The burden will vary for different categories.

“I have gone through the 11-page notice on service charges and understood only one thing — you have to pay if you use, or don’t use, your bank account,” said R Rameshwaram, a customer at the bank’s Gachhibowli branch.

Asked about the levy of these charges, a top SBI officer said:

“The major change is in charges on non-maintenance of minimum balance, ATM and cash-handling charges”.

But then, it makes a big difference. ATM charges beyond the mandatory limit will be double — rising from Rs. 5 to Rs. 10.

As other banks’ ATM charges are at Rs. 20 per transaction, it would be prudent to use only SBI (including associate banks’) ATMs. According to an estimate by bankers, a customer uses an ATM about 10 to 13 times a month.

Recent data show that the entire SBI group has about 60,000 ATMs.

If the monthly average balance falls below Rs. 5,000 in savings accounts in metros, a levy of Rs. 100 plus service charge will be applicable.

In the case of debit cards, the charges will be Rs. 30 per quarter, where the average balance is less than Rs. 15,000. The SBI group has about 22 crore debit cards.

As of now SBI and HDFC Bank have ventured into raising charges on some services. The impact will be significant for the common man given the fact that SBI, together with its associates, has the lion’s share of the accounts of the middle and lower income groups.

“I am a contract worker with the Greater Hyderabad Municipal Corporation with an earning of Rs. 7,000. How do I keep Rs. 1,000 in my account,” asked Ratnamma, a customer of State Bank of Hyderabad.

It could be just a matter of time before other banks revise their charges.

Some accounts such as staff, students, salary etc have been exempted from maintenance charges.

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