

# SBI decisions on transaction charges, minimum balance will hurt customers: RBI staff body

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**Thiruvananthapuram, September 13:** The All India Reserve Bank Employees Association (AIRBEA) has requested the Reserve Bank Governor to invoke Section 35A of the Banking Regulation Act, 1949, to get State Bank of India (SBI) to mend its ways with crores of its customers.

The Act empowers the apex bank to give directions “to prevent the affairs of any banking company being conducted in a manner detrimental to the interests of the depositors,” according to Samir Ghosh, general secretary, AIRBEA.

## Recent decisions

Ghosh invited the Governor’s attention to recent business decisions of the country’s largest bank with a network of about 24,000 branches and more than 40 crore customers, of which 31 crore are savings a/c account holders.

One of these decisions permitted the latter to deposit and withdraw cash only three times a month, free of charge. Beyond that, every transaction would invite a charge of Rs. 50 plus service tax.

Secondly, failure to maintain a minimum balance amount in any account on a quarterly basis will attract a fine. For accounts held in metro branches, the balance required is Rs. 5,000.

If the amount falls below Rs. 3,750 (or 75 percent), the penalty is Rs. 100 plus service tax.

The charges and minimum account balance vary across metro, urban, semi-urban and rural areas.

Ghosh said that there are a large number of pension account holders in SBI, who draw meagre amounts. Maintaining a minimum balance as stipulated by SBI may not be possible for most.

A good number of students have also opened their accounts in SBI branches as do millions of recipients of various welfare and subsidy schemes.

SBI is reported to have confiscated about Rs. 235 crore from account holders during the first quarter, he said.

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