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ATMs not giving cash a common worry

BY ASHWIN MANIKANDAN, ET BUREAU | UPDATED: MAY 02, 2019, 01.39 PM IST

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MUMBAI: Teller machines not dispensing cash even when bank accounts are debited remains the most common grievance among users of the devices that help bypass human intervention in traditional banking transactions. Bankers say that the problem is common enough because of [financial inclusion](#), and that most cases are resolved satisfactorily.

About 16,000 complaints, or 10% of all customer grievances at the banking ombudsman offices in FY18, were registered under the head 'account debited but cash not dispensed at ATM,' data released by the Reserve [Bank of India](#) last week showed. Data also showed that debit card and ATM related complaints saw a 50% jump on year. As per the ombudsman scheme of 2008, banks are mandated to give a helpline number in the premise of the ATM. An aggrieved customer should immediately register a complaint either via a call or an email with the issuing bank, say experts. "Generally, the bank identifies such cases when they do their reconciliation process, within a day. In any case, banks have to resolve customer complaints within seven days, according to the [RBI](#) mandate," said a private sector banker who did not want to be named.

When a bank doesn't resolve the issue within the deadline, customers can register a complaint with RBI at the respective ombudsman office in their zone within 30 days of the failed transaction. The recent increase in deployment of ATMs in rural areas after demonetisation and increased customer awareness are reasons behind the rise in number of complaints, the person cited above said.

"The rise in complaints is not indicative as it is in proportion with the increase in ATM networks across the country and the number of complaints filed in the concerned period," said the banker. ATM manufacturers say that while the increase in deployment has been a factor, the primary cause for such grievances are "network and power-related failures", especially in rural ATMs.

"What happens in most cases is that due to network issues, the transaction gets timed out but the ATM switch gets triggered, sending a message to your phone," says Mandar Agashe, founder and vice president of Sarvatra Technology, a Punebased ATM technology player.

"The next day, when the bank does its reconciliation process, these errors get rectified as the bank's log and transaction data don't match. Customers mostly get their money back within a day. But it is always advisable to immediately log a complaint."

"We have recorded cases where the modus-operandi of stealing from ATMs involves forceful switching off of ATM machines the moment before it dispenses cash. The machines now are programmed to be shielded from these types of crimes," said Manohar Bhoi, vice-president of technology, Electronic Payments and Services.

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