

Madras High Court notice to RBI, IBA on PIL challenging ATM usage regulation

Madras High Court bench here today ordered notice to Reserve Bank of India and the Indian Banks Association on a PIL seeking to quash the recent circulars by the apex bank regulating the number of free ATM transactions in six metros from November 1.

A division bench comprising Justice V Dhanapalan and Justice V M Velumani ordered notice to the RBI Principal Chief General Manager and the Chief Executive of the IBA returnable within three weeks.

Petitioner Tamizharasan, an advocate, submitted that at a time when the customers started using 1.60 lakh ATMs (Automated Teller Machines) across the country, leading to drop in the crowd in bank branches, RBI had issued the circular based on representation from a few banks without considering the benefit for the public at large.

The change, as per circular issued on Aug 14,2014 (with clarifications on October 10,2014,) would limit the total free transactions, including non-financial, at other bank ATMs to three from the existing five.

However, if the transactions were carried out in places other than the six metros, the number of free transactions would continue to be five.

By passing the above circulars, the RBI had taken a stand in support of select banks. The rationale behind installing more ATMs was to help the common man, the petitioner said.

Besides ensuring better and quality service, the banks would also immensely benefit as their service is availed by the customers and flow of money is healthy.

The circulars affected professionals, disabled persons, destitute and elderly people.

It would also affect the banks' deposits as the customers would withdraw more money in limited transactions through ATMs, he contended.

"As we lived in a fast paced society with increasing mobility and unexpected demands, the banks should help the customers. The circulars were a regressive step and need to be quashed," he submitted.

The RBI's new guidelines are applicable for bank customers in six metros of Delhi, Mumbai, Chennai, Kolkata, Hyderabad and Bangalore.

(Economic Times)