

RBI committee recommends limiting ATM cash withdrawals to Rs 5,000, increase in ATM charges: Report

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A committee appointed by the Reserve Bank of India (RBI) has recommended an increase in inter-change charges for all transactions carried out on automated teller machines (ATMs) across the country, Moneylife reported.

The report stated that the committee wants to cap the withdrawal limit at Rs 5,000 per transaction and wants to levy charges if a person wants to withdraw an amount bigger than this.

The committee's report, according to Moneylife, is not in public domain but was accessed by a Hyderabad-based techie named Srikanth L who filed an appeal under the Right to Information (RTI) to access the report.

The committee, which was appointed last year to review ATM inter-change fee structure, did submit its recommendations to the central bank, but it is not known whether the RBI has accepted them.

According to the Moneylife report, the committee recommended an increase of 16 percent, or Rs 2, to Rs 17 for financial transactions and to Rs 7 from Rs 5 for non-financial transactions at ATMs in all centres with a population of one million and above.

For usage in ATMs at other centres, with a population less than one million, the committee recommended charges to be increased to 24 percent on a blended basis.

It also observed the cost-effectiveness of ATMs as compared to in-branch transactions.

"Due to the convenience of usage of ATMs, the number of withdrawal transactions at ATMs per customer is higher as compared to that at the branch, hence the comparison of a cost of single ATM transactions with single branch transaction may not be appropriate," the report stated.

(Money Control)