

## **Consumer Advisory - ATMs**

Consumer: Automated Teller Machine (ATM)

The type of cards used at an ATM is ATM cards/debit cards, credit cards and prepaid cards (that permit Cash withdrawal).

Banks set the limit for cash withdrawal by customers. The cash withdrawal limit for use at the ATM of the issuing bank is set by the bank during the issuance of the card; banks have decided to maintain a limit of Rs 10,000/- per transaction. This information is displayed at the ATM location.

No charges are payable for using other banks' ATM for cash withdrawal and balance enquiry, But banks can restrict the number of such free transactions to a maximum of five per month. For transactions beyond this minimum number of transactions, banks charge a maximum of Rs 20/- per transaction.

In case during the cash withdrawal process, cash is not disbursed but the account gets debited for the amount, the customer may lodge a complaint with the card issuing bank. This process is applicable even if the transaction was carried out at another bank's ATM.

The RBI notification says it is mandatory for the banks to reimburse the customer's amount wrongfully debited on account of failed ATM transactions within a maximum period of 12 working days,"

Banks shall have to pay customers Rs 100/- per day for delays beyond 12 working days. This shall have to be credited to the account of the customer without any claim

being made by the customer. (wef July 17, 2009).

In case the compensation is not credited as mandated, by RBI the customer may lodge a complaint with the local Banking Ombudsman if the bank does not respond.

**CAI comments:**

The above talks only of the rights of the consumers. The consumers have some responsibilities too.

For example, there should be some proof and record of the failing transaction.

a. The receipt printed by the ATM machine, is one proof.

b. If the failing ATM printed the receipt. Please carry

This receipt when you go to prefer the complaint and

C. The customer should note the exact date/time/location of the ATM. All this information will be needed when one files the complaint.

D. Please be doubly careful which card you are using. If you use the credit card instead of the ATM card, the banks will charge heavy fees. Banks treat the credit card ATM usage as 'cash advances'. They charge you a heavy interest, service fee and any other charges they can think of. If you draw out Rs2000/- using a credit card, then you may end up paying as much as Rs 500/- as charges if you clear the credit card dues at the end of the month.