

Minimum balance in savings bank accounts

Ref No. DBOD. Dir. BC. 53/13.10.00/2002-03

December 26, 2002

All Commercial Banks
(excluding RRBs and LABs)

Dear Sir,

Minimum balance in savings bank accounts

Reserve Bank of India has not issued any guidelines regarding the minimum balance to be maintained in savings bank accounts. The banks have been prescribing the minimum balance to be maintained taking into consideration the cost involved in maintaining and servicing such accounts and also levying specific charges, if minimum balance is not maintained. There is, however, no uniform approach in this regard.

2. It has been reported to us that banks do not apprise the customers about the requirement of minimum balance at the time of opening of the accounts and also do not highlight the implication such as levying of charges etc. if the minimum balance is not maintained. Banks also do not ensure to inform the customers about any change in the minimum balance requirement.

3. We have had the matter reviewed and advise that henceforth banks should inform customers regarding the requirement of minimum balance at the time of opening the account in a transparent manner. Any subsequent changes in this regard should also be intimated to the account holders. The banks may decide the manner in which the information is made available to the customers.

4. Please acknowledge receipt.

Yours faithfully,

(R.C. Agrawal)
General Manager