

Statement on the Feedback received for Draft Directions

Subject: Reserve Bank of India (Basic Savings Bank Deposit Account) Directions, 2025

A. Chapter I - Introduction

1. *The Basic Savings Bank Deposit (BSBD) Account is a savings bank account and envisaged to provide affordable banking facilities to public at large.*

- (1) **Feedback:** Fix eligibility criteria to open BSBD account based on income and profile of customer.

RBI Comments: Not Accepted. Fixing the suggested eligibility criteria would undermine the objective of repositioning BSBD account as an affordable banking product available to all customers.

B. Chapter III - Basic Savings Bank Deposit Account

2. The proposed Directions advise *every bank to offer a BSBD account, which shall be considered a normal banking service available to all.* As mentioned in paragraph 8 of the proposed Directions, *A bank shall offer the basic minimum facilities, in a BSBD account, free of charge, without any requirement of minimum balance to be maintained in such account.*

- (1) **Feedback:** Clarify whether the revised facilities in the BSBD account are required to be offered to existing customers.

RBI Comments: Accepted. A new paragraph has been added in the Directions clarifying that in the case of existing BSBD accounts, a bank shall extend the newly introduced free facilities upon receipt of a request from the customer. The bank shall facilitate existing customers to submit such requests through physical as well as digital channels.

- (2) **Feedback:** Clarify regarding charge for cash deposited through Business Correspondent (BC) or at bank branch through AePS channel.

RBI Comments: Accepted. The bank shall not charge for deposit of cash either at the bank branch or through channels, viz., ATMs, CDMs, and Business Correspondents. Accordingly, the related clause in the Directions has been revised to include deposit of cash through all channels.

(3) **Feedback:** Restrict the deposit activity in a BSBD account and do not offer internet banking / mobile banking facility in a BSBD account to prevent misuse of these accounts as money mules.

RBI Comments: Not Accepted. Mobile and Internet Banking are essential services in this digital world. Further, KYC / AML guidelines and risk management as key element of KYC policy are applicable for the opening and monitoring of BSBD accounts just like any other variant of savings bank account. Since risks faced and controls subjected thereon are identical, limiting facilities in BSBD accounts on this ground is not justified.

(4) **Feedback:** Clarify whether the proposed minimum four free withdrawals are applicable to ATM transactions done at own bank's ATM or any other bank's ATM.

RBI Comments: Accepted. The clarification has been included in the Directions through appropriate revision in the related clause.

3. **Paragraph 9:** *The facilities of ATM / ATM-cum-Debit card or internet / mobile banking or cheque book shall be offered to a customer at the time of opening the BSBD account.*

(1) **Feedback:** Banks may be allowed to put restrictions on credits, balances, etc. in deposit accounts of minors as a risk management tool.

RBI comments: Accepted. The directions have been revised to clarify that the BSBD accounts opened by or operated on behalf of minors shall be subject to instructions on 'Opening of Bank Accounts in the Names of Minors'.

4. **Paragraph 12:** *The holder of a BSBD account shall not be eligible for opening another BSBD account in the same bank or any other bank. Accordingly, before opening a BSBD account, a bank shall take a declaration from the customer that he/ she does not have a BSBD account in any bank.*

Further, the holder of a BSBD account shall not be eligible for opening any other savings bank deposit account in that bank, however, he/ she can open term deposit accounts...

(1) **Feedback:** Create a suitable registry at ecosystem level to de-dupe any

BSBD account opening request instead of simply obtaining declaration from the individual.

RBI comments: Accepted for examination.

(2) **Feedback:** Clarify whether similar undertaking is required to be obtained at the time of conversion of existing other variant of savings bank account to BSBD account.

RBI comments: Accepted. The clarification has been included in the Direction and revised instructions read as under:

'Accordingly, before opening a new BSBD account or converting an existing savings bank account to a BSBD account, the bank shall obtain a declaration from the customer that he / she does not have a BSBD account in any bank.'

(3) **Feedback:** Permit a BSBD account holder to open another savings bank account with the same bank.

RBI comments: Accepted. Accordingly, the related clause in the Directions has been deleted. Banks have the freedom to offer banking products / services to their customers as per their policies.