

## **Your money: A little care can save you from paying multiple bank charges**

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Many customers are being charged small amounts by banks, for actions they don't realize are costing them money. These miscellaneous bank fees can add up to quite a tidy sum if one is not careful. The first step is awareness of all the bank fees that you are paying. With a little care and disciplined action, you can avoid many miscellaneous banking charges or penalties.

**Non-maintenance of minimum balance:** Banks charge a penalty if you do not maintain the specified minimum balance in your savings account. The minimum balance criteria vary for each bank and are clearly listed in each bank's website and the account opening literature. The penalty is charged if minimum monthly average balance (MAB) or a minimum quarterly average balance (QAB) is not maintained as per the bank's terms.

The minimum balance criteria of the same bank sometimes vary in cities and towns. ICICI Bank and HDFC Bank have a minimum monthly balance requirement of R10,000 in metros and big cities, while it is R5,000 in small towns and R2,000 in rural areas. For non-maintenance of monthly average balance, they charge a penalty of R250-350 depending on the city of the account holder.

**Usage of bank ATMs:** Do you depend on ATMs for frequent cash withdrawal and balance checking? If yes, you could well be paying a penalty for excessive usage of ATMs. As per RBI guidelines, for more than 5 ATM transactions per month, a penalty of R20 for each financial transaction and R8.5 for each non-financial transaction can be charged.

You only get 3 free ATM transactions at other bank ATMs if you live in any of the six metro cities of Mumbai, New Delhi, Chennai, Kolkata, Bangalore and Hyderabad. Avoid using ATMs for frequent withdrawal. Rely more on netbanking/mobile banking to check your account balance and for all possible money transactions.

**Penalty on inoperative accounts:** If you are keeping your bank account dormant, without any inward or outward remittance, your account is bracketed as inactive, even if there is money. If the account has no transaction for 24 months, it will be classified as inoperative. When your account is made inoperative, banks charge you a penalty ranging from R50 to R200 annually for the account. Maintain some transactions in your account and do not let the account become inactive or inoperative.

**Charges on duplicate bank statement:** Even though a net banking facility allows you to take statements and check previous transactions, many people still go the traditional way and ask for duplicate statements from the branch. For issuing duplicate bank statement, banks charge a fee, which is usually close to R100 every time you request for it. Therefore, make use of the net banking facility to get your account statement.

**Dishonoured cheques:** If any of your cheque transactions fail due to any reason, banks levy a penalty on you. The charges may vary from bank to bank as well as for local and outstation cheques. Whenever issuing a cheque, make sure that it is properly signed and all details are filled as per the bank's criteria. Signature mismatches and lack of adequate funds are the two common reasons for cheque returns, leading to unwanted penalties. Banks are well within their rights to

charge penalties for any services they offer. It is better to maintain financial discipline and avoid paying unnecessary penalties to the bank.

*(Financial Express)*