



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**  
www.rbi.org.in

RBI/2019-20/41

DPSS.CO.PD No. 377/02.10.002/2019-20

August 14, 2019

All Scheduled Commercial Banks including Regional Rural Banks /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks / Small Finance Banks /  
Payment Banks / White Label ATM Operators

Madam / Sir,

**Usage of ATMs – Free ATM transactions – Clarifications**

Please refer to our [circulars DPSS.CO.PD.No. 316/02.10.002/2014-2015 dated August 14, 2014](#) and [DPSS.CO.PD.No. 659/02.10.002/2014 -2015 dated October 10, 2014](#) on the subject.

2. It has come to our notice that transactions that have failed due to technical reasons, non-availability of currency in ATMs, etc., are also included in the number of free ATM transactions.

3. It is hereby clarified that transactions which fail on account of technical reasons like hardware, software, communication issues; non-availability of currency notes in the ATM; and other declines ascribable directly / wholly to the bank / service provider; invalid PIN / validations; etc., shall not be counted as valid ATM transactions for the customer. Consequently, no charges therefor shall be levied.

4. Non-cash withdrawal transactions (such as balance enquiry, cheque book request, payment of taxes, funds transfer, etc.), which constitute 'on-us' transactions (i.e., when a card is used at an ATM of the bank which has issued the card) shall also not be part of the number of free ATM transactions.

5. This directive is issued under Section 10(2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully

(P Vasudevan)  
Chief General Manager