

ATM cash withdrawal rules to change from 1 January 2022- Free withdrawal limit, new charges here

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Bank customers will have to pay more than what they were paying earlier for cash withdrawal from ATMs. The hiked charges will be applicable once the free monthly limit gets exhausted. Customers have been receiving notifications of hiked charges from their respective banks. "With effect from 1st January 2022, ATM transaction charge rate beyond free limit of Rs. 20 + taxes would be revised to Rs. 21 + taxes, wherever applicable," reads a notice on the HDFC Bank website.

"Effective 1st January 2022, financial transaction fee above the free limit in Axis Bank or other bank ATMs will be INR 21 + GST," noted Axis Bank.

Here is all you need to know about the new ATM cash withdrawal rules effective 1 January 2022

- 1) According to the RBI notification, customers will have to pay ₹1 more than what they were paying earlier to withdraw money
- 2) Starting 1 January 2022, customers will have to pay ₹21 per transaction, instead of ₹20 if they exceed the monthly limit of free transactions. "To compensate the banks for the higher interchange fee and given the general escalation in costs, they are allowed to increase the customer charges to ₹21 per transaction. This increase shall be effective from January 1, 2022," the RBI had said in a circular.
- 3) However, all bank customers with debit cards will be eligible for five free transactions (cash or non-cash transactions) at their own banks' ATMs per month.
- 4) Additionally, they will be eligible for three free transactions from other banks in metro cities and five free transactions in non-metro cities.
- 5) The Reserve Bank of India (RBI) has permitted banks to boost charges on cash and non-cash ATMs beyond the free monthly limitations.