

OpenVoiceNews India

Transparent. Unbiased. Yours.

Union Bank of India Removes Minimum Balance Charges on Savings Accounts

July 26, 2025

– Categories: Finance



DOWNLOAD IPFS

Union Bank of India has announced the removal of penalties for non-maintenance of minimum balance in general savings accounts, effective from the quarter ending September 2025. The decision is aimed at promoting financial inclusion and making banking services more accessible to a broader section of the population.

In a press release, the bank stated that this change will apply only to general savings deposit accounts. Specialised savings products, such as salary and premium savings accounts, will continue to follow their existing terms, including minimum balance requirements.

Until now, only select categories such as senior citizens, pensioners, and account holders under the Pradhan Mantri Jan Dhan Yojana were exempted from these charges. With the new policy, a wider customer base will benefit from a no-penalty structure, encouraging more people to maintain active bank accounts without fear of losing money due to low balances.

Bank officials said the move reflects Union Bank's customer-first approach and commitment to expanding financial access across the country. It is also seen as a strategic decision to attract new customers and improve retention, particularly among low-income groups and rural populations.

The step comes at a time when several other public sector banks have already scrapped similar charges. In May 2025, Canara Bank removed minimum balance requirements from ordinary, salary, and NRI savings accounts. Other major lenders such as the State Bank of India, Indian Bank, Punjab National Bank, Bank of Baroda, and Bank of India have also eliminated minimum balance penalties on standard savings accounts over the past year.

Banking analysts believe Union Bank's latest move will reduce the number of dormant accounts and improve financial participation among economically vulnerable sections. They also noted that removing minimum balance fees is in line with government efforts to promote inclusive banking and deepen the reach of formal financial services.

Customers do not need to take any additional steps to avail of the new benefit. The change will be applied automatically from the September quarter, as per the bank's updated terms. However, those holding customised or premium savings products should refer to their specific account terms for minimum balance obligations.