

‘Private sector banks need to catch up on financial inclusion drive’

NEW DELHI: Financial Services Secretary Vivek Joshi on Tuesday flagged lower participation by private sector banks in the government’s financial inclusion drive and nudged them to step up their efforts.

Speaking at the 20th Global Inclusive Finance Summit, Joshi also asked banks and financial institutions to work on three areas — getting KYC done for inoperative accounts, nomination for bank accounts and strengthening cyber security.

Joshi also said that currently, 92 per cent of the adults in India have at least one bank account, and around 3 crore Jan Dhan accounts are added every year.

“We are not far from a situation where all the adults in the country will be covered with at least one basic bank account,” Joshi added. In over nine years of the launch of the PMJDY, 51 crore bank accounts have been opened.

“While public sector banks have done a wonderful job in furthering financial inclusion efforts and have done a lot of outreach for popularisation of financial inclusion schemes, the participation of mainstream private sector banks, with the exception of IDFC First Bank, is lacking and there is a lot to catch up by private sector banks with their public sector counterparts in this aspect,” Joshi said.

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sector banks have increased their credit disbursal under the Mudra scheme, where loans are given to micro businesses, in other financial inclusion schemes, their participation is lacking.

“I would request the private sector banks to increase participation in PMJDY and Jan Suraksha schemes in order to realise the ambitious goals which the government has set for itself,” Joshi said, adding that financial inclusion does not only mean opening bank accounts but also providing insurance and pension coverage to customers.

The flagship government insurance schemes are Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana and Atal Pension Yojana. Joshi also said that currently, 18 per cent of the JDY accounts are inoperative and banks should work towards getting KYC from the account holders.

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