



COMPETITION COMMISSION OF INDIA

CASE NO. 21 OF 2023

In re:

A.Ram Babu

Informant

V-10/11 FF, Lord Krishna Residency

BPTP Elite Floors,

Sec- 76, Faridabad, Haryana

And

Indian Bank

Zonal Office

17 Parliament Street

New Delhi-110001

Opposite Party No. 1

Reserve Bank of India

6, Sansad Marg

New Delhi-110001

Opposite Party No. 2

CORAM:

Ms. Ravneet Kaur

Chairperson

Mr. Anil Agrawal

Member

Ms. Sweta Kakkad

Member

Mr. Deepak Anurag

Member



Order under Section 26(2) of the Competition Act, 2002

1. The present Information has been filed by Mr. A. Ram Babu (“**Informant**”) under Section 19(1) (a) of the Competition Act, 2002 (“**the Act**”) against Indian Bank (“**OP-1**”) alleging violation of the provisions of Section 4(2) (a) and Section 4(2) (b) of the Act. Pertinently, the Informant has also arrayed the Reserve Bank of India as Opposite Party No. 2 (“**RBI/OP-2**”), however, no allegation has been raised against RBI.
2. Indian Bank is an Indian public sector bank having its headquarter in Chennai and branches spread across the country, one of them being OP-1 (Zonal Office). The Informant has stated in the information that he had two Fixed Deposit Accounts with OP-1 for a period of one year on which interest accrued on a monthly and quarterly basis, respectively.
3. It has been submitted that due to certain changes in RBI’s policy, other banks were offering higher interest rates than OP-1 pursuant to which he decided to withdraw the two FDs from the current bank (OP-1) with the objective of opening the Fixed Deposit accounts with another bank. He further submitted that he also prematurely withdrew his fixed deposit account with the Indian Overseas Bank which has imposed no penalty on the Informant whereas, on such premature withdrawal from the Indian Bank (OP-1), it has imposed a penalty of INR 27951/- (Rs. Twenty-seven thousand nine hundred and fifty-one only) and INR 22500/- (Rs. Twenty-two thousand and five hundred only) respectively, on the principal amounts of the two accounts on 21.12.2022. The Informant has submitted that it had approached the bank ombudsman *vide* ticket no. 10574018 raising his grievances, however, the complaint was closed on 12.01.2023 without any redressal.
4. Consequently, it has been alleged that the practice of Indian Bank is unfair and discriminatory and it has misused its position in the market to obtain money from the informant. The Informant has alleged that, in light of the abovementioned facts and circumstances, Indian Bank has violated provisions of Section 4 of the Act. The Informant has also sought interim relief under Section 33 of the Act that OP-1 may be directed to return the penalty deducted from the account of the Informant.



सत्यमेव जयते



5. From the perusal of the information and material available on record, the Commission notes that the Informant is primarily aggrieved by the penalty imposed by the Indian Bank on the principal amounts of the two fixed deposit accounts of the Informant on the premature withdrawal of the same. The Informant has alleged that this conduct of Indian Bank is in violation of Section 4 of the Act.
6. The Commission notes that the 'dominant position' as defined under the Explanation to Section 4(2) of the Act means a position of strength that allows an entity to operate independently of competitive forces prevailing in the relevant market or affect its competitors or consumers in its favour. For examining allegations pertaining to Section 4 of the Act, the delineation of the relevant market is essential to ascertain dominance therein and thereafter, the alleged conduct of the Indian Bank in the said relevant market can be examined.
7. As noted above, the Informant's grievance arises out of the two fixed deposit accounts with the Indian Bank and the penalty imposed on the principal sum on premature withdrawal. A Fixed Deposit is a tenured deposit account provided by banks and other financial institutions which ordinarily provides higher rate of interest than a regular savings account. In a Fixed Deposit Account, the sum of money or the deposit is locked for a fixed period of term. Once the term comes to maturity, the account holder/depositor receives the invested principal sum along with interest. Therefore they are also called term deposits because they are kept up to a particular term.
8. The Commission observes that the Informant has not delineated any relevant market in the Information. The decisional practice of the Commission in dealing with cases relating to Non-Banking Financial Companies /Banks is to define the relevant market on the basis of the product in question. In the present case, the deposit under consideration is a term deposit, which is a distinct product from other types of deposits, in terms of maturity, interest, liquidity etc. Accordingly, in the present case, the relevant market may be defined as the *market for the provision of term deposit services*.



सत्यमेव जयते



9. As regards, the relevant geographic market, the Commission notes that there exists no distinction between one region and another with reference to providing term deposit services within India. Thus, the relevant market, in this case, appears to be the “*market for the provision of term deposit services in India*”.
10. Further the Commission notes that there are several players operating in the *market for the provision of term deposit services in India* which include public sector banks, private sector banks, post-offices, and other non-banking financial companies. Furthermore, the Informant has not provided any evidence of Indian Bank being dominant. In the absence of the dominance of Indian Bank in the relevant market, there is no occasion to examine the allegation of abusive conduct against OP-1 under the provisions of the Act.
11. In view of the foregoing, the Commission is of the considered opinion that no case of contravention of provisions of Section 4 of the Act is made out against OPs for causing an investigation into the matter, and therefore, the matter is ordered to be closed forthwith under Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the prayer for the same also stands rejected.
12. The Secretary is directed to communicate to the Informant accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

New Delhi

Date: 30.11.2023