

Assessment of Bank Mitr's under Pradhan Mantri Jan Dhan Yojana (PMJDY)

Report from 9 states, 41 districts

New Delhi
19 December, 2014

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Objectives of the Survey

a) Physically verify availability of BMs at the village/ SSA location as per contact details provided by banks

b) Assess the quality of service being provided to account holders, and

c) Gather informational data of PMJDY account holders on three aspects:

- Is the account opened under PMJDY their first account?
- Have the customers received *RuPay* card?
- Is the *Aadhaar* number available and has it been linked to the PMJDY account?

Coverage and Methodology

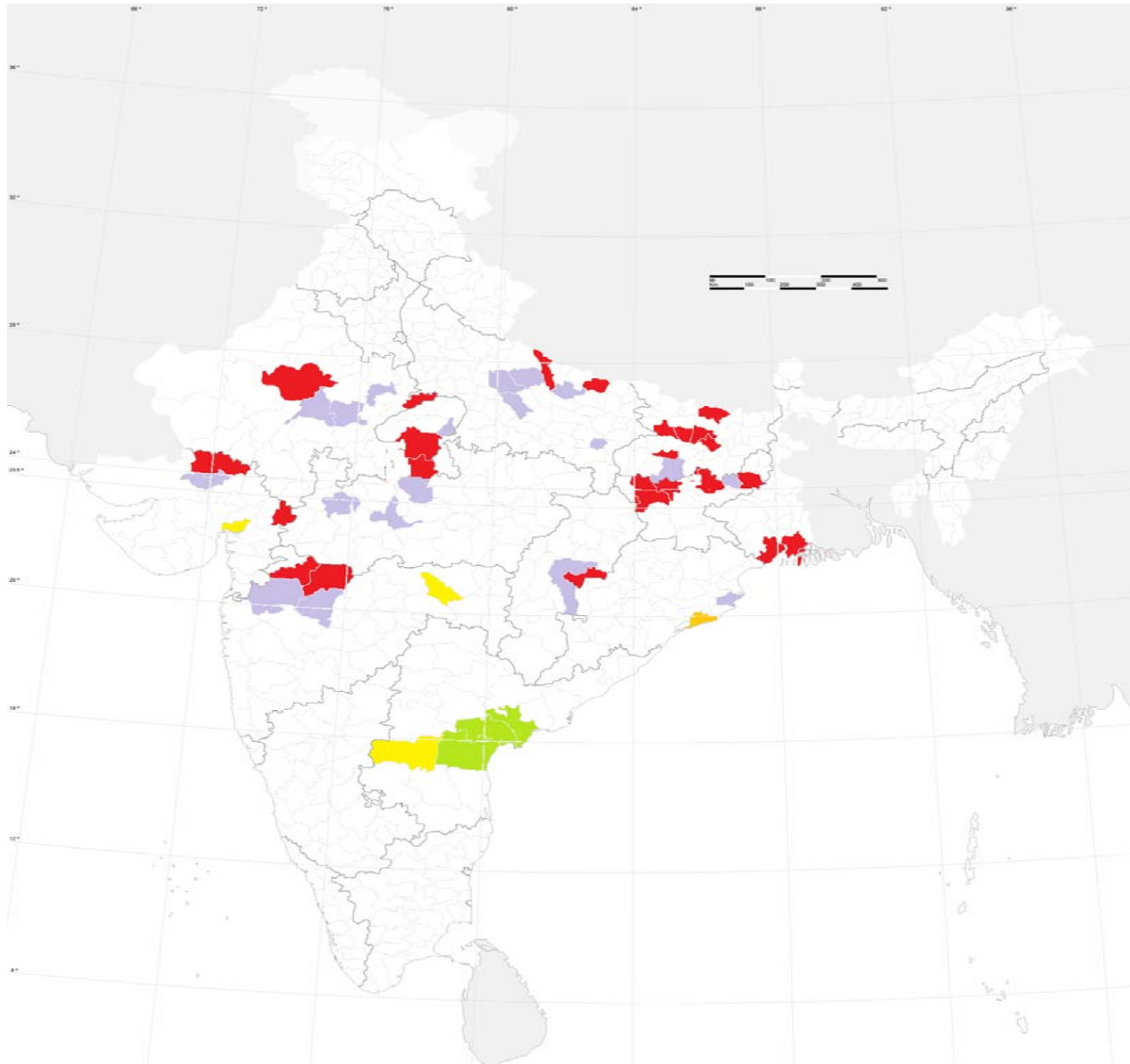
9 states, 41 districts

2,039 SSA/bank mitr locations, 8,789 beneficiaries

Random sample of 20 percent SSAs, or 30, whichever is higher

5 or more beneficiaries at each SSA/ BM location (under quantitative survey)

Districts Surveyed



State	Districts Surveyed
Andhra Pradesh	4
Bihar	7
Chhattisgarh	2
Gujarat	4
Jharkhand	4
Madhya Pradesh	6
Odisha	2
Rajasthan	5
Uttar Pradesh	7
Total	41

Key Results- I

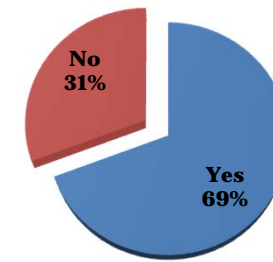
Availability of Bank Mitrs, Branding, and Sustainability

69% of the Bank Mitrs were available at their respective locations.

- This is a welcome development from previous studies, when the availability was found to be 30-40%.
- Moreover, if we include the number of BMs who were working at other locations (explained later) but not at the location indicated in the data available with DFS, the figure for available BMs will be close to 80%.

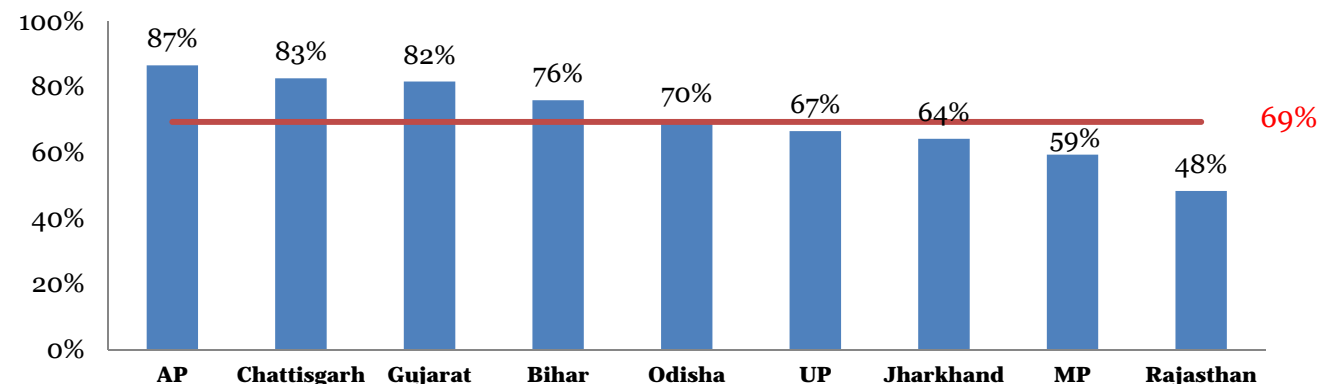
Graph 1: Availability of Bank Mitrs at SSA location

BM Available - Average of 9 states covered
Sample size=2,039



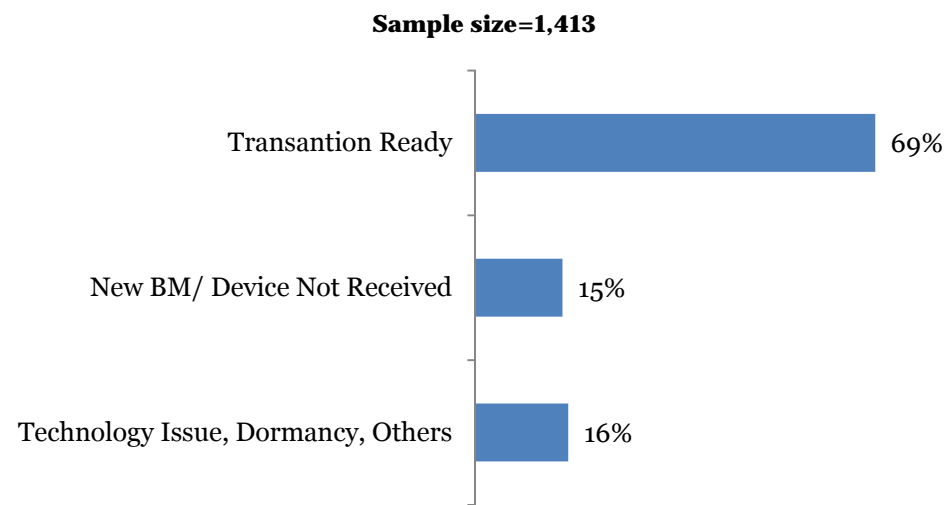
Graph 2: Availability of Bank Mitrs: State-wise

Sample size=2,039

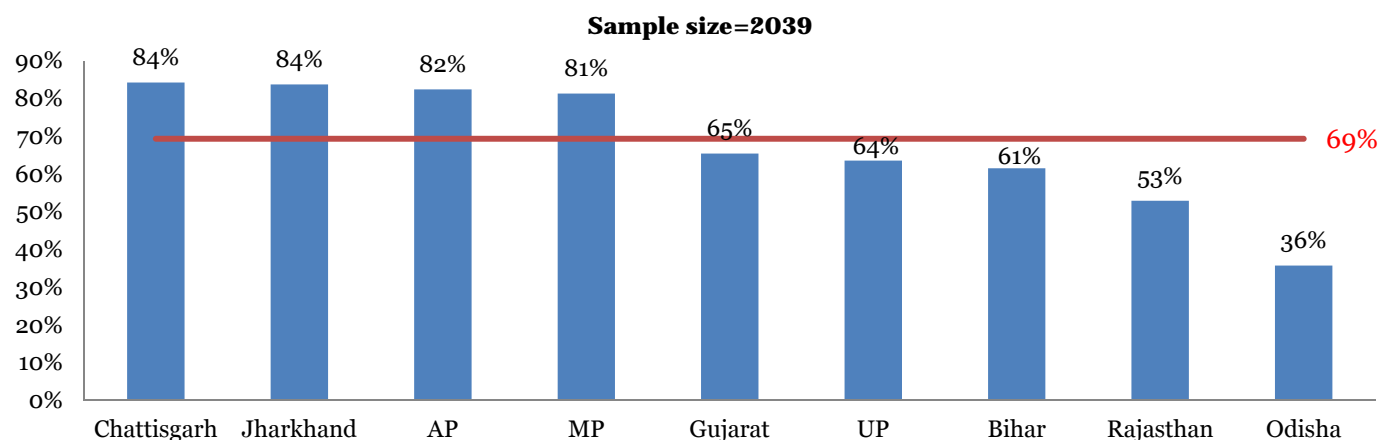


More than 69% of the available BMs were 'transaction ready'

- Transaction ready for the purpose of the study is defined as BMs who were physically available at the time of the visit and could carry out transaction(s) for customer(s)
- This implies that customers will not be able to conduct transactions at almost 50% of the BMs if they follow the list provided by the banks.



Graph 4: BM transaction readiness by state



Out of the BMs who were not found at their respective locations, 36% were not traceable.

- Not traceable for the purpose of the study is defined as those BMs who are not found at the address, could not be contacted on the number provided and no one know about them in the village/SSA location
- Possible reasons for high percentage of non-traceable BMs could be that the list has not been updated and/or the wrong contact details have been provided.



- *Working in other villages*

Data inconsistency is also partly supported by the fact that a significant proportion (36%) of BMs was found working in another village/location.

- *Stopped working*

Another reason for unavailability of BMs is that the BM has become dormant and has stopped working.

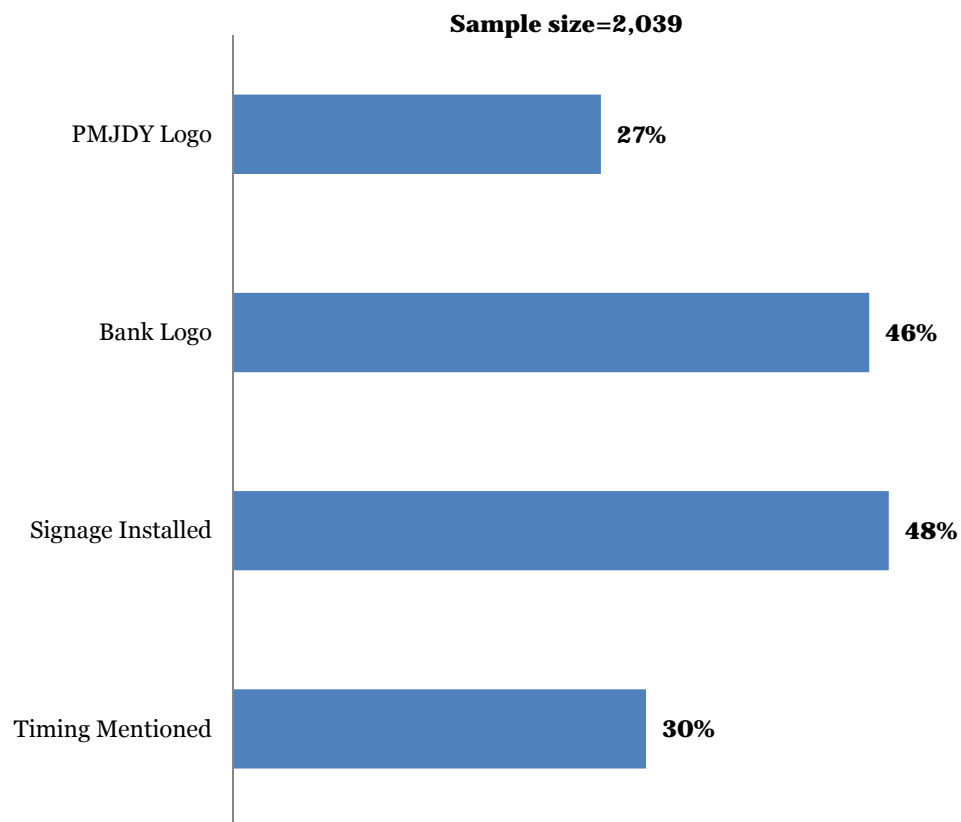
- *Other*

Someone else is working in place of the BM or there are other exceptional reasons which led the non-availability of BM.

Branding is not proper at the majority of BM locations.

Graph 6: PMJDY Branding Status of BMs

- These observations have been taken for both available as well as not available BMs during the physical visit of the enumerator to the address.
- Though many BMs have received PMJDY banner, it is not displayed at the outlet.

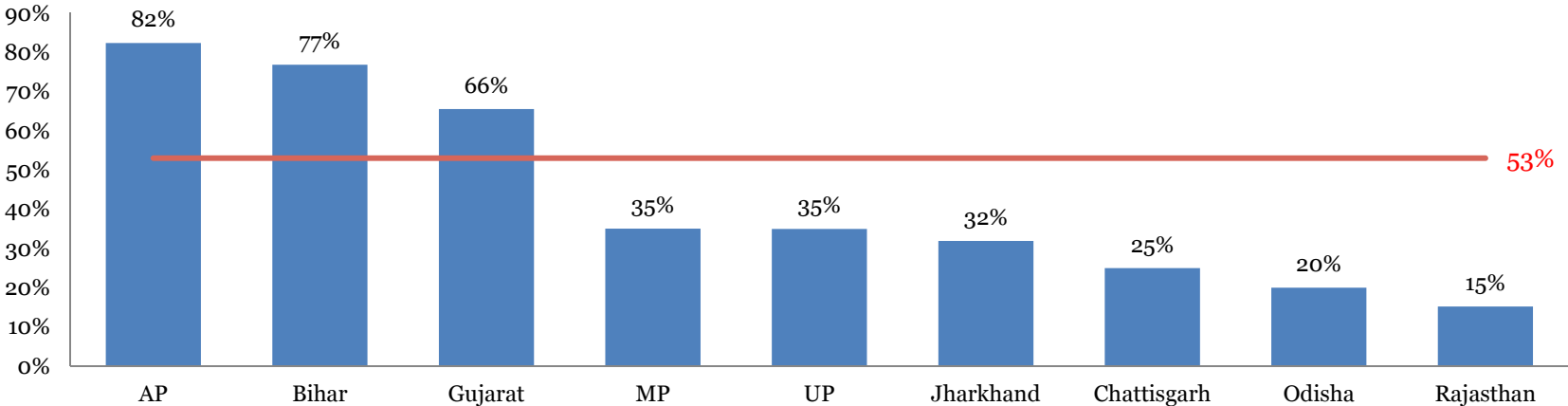


The average number of transactions per month per BM is 195 and only 53% of the BMs are receiving commission on time.

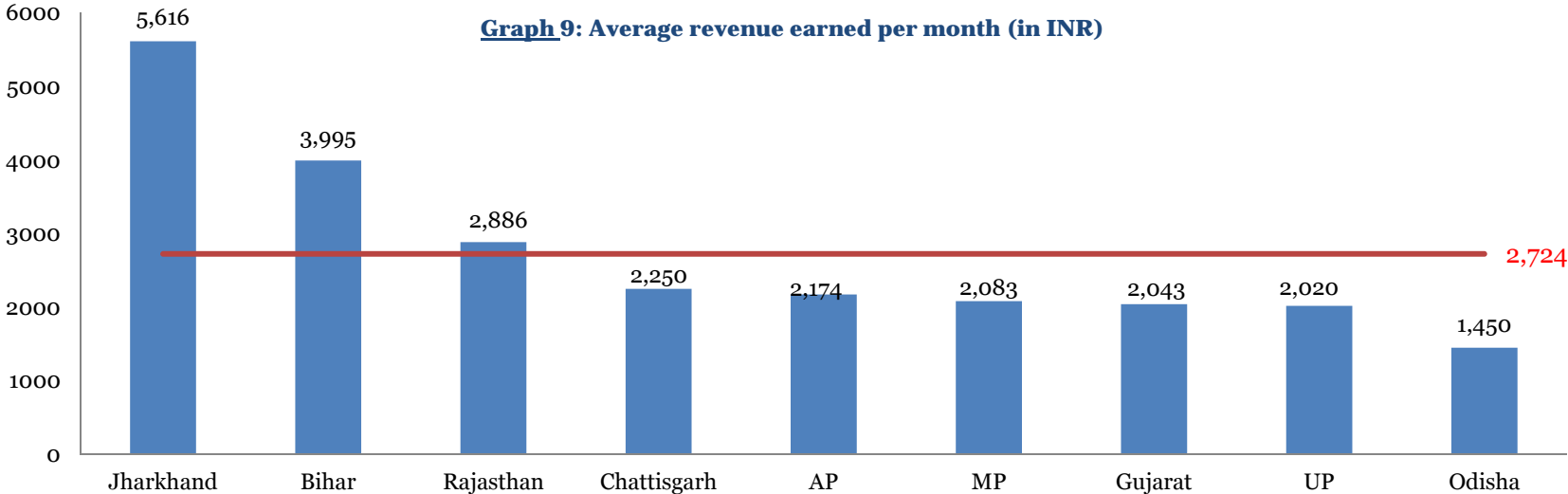
- The reason for low number of transactions in Rajasthan and Gujarat is primarily due to involvement of BMs in account opening/sourcing for most of their time.
- In the states of Bihar and Jharkhand some of the BCNMS are paying high fixed monthly amounts and variable incentives to the BMs while in many other states they are paid on the basis of number of transactions.

Average revenue earned per month ranges from INR 1,450 in Odisha to INR 5,616 in Jharkhand; whereas BMs average revenue expectation ranges from INR 7,000 to INR 13,000.

Graph 8: Receipt of commission in time
Sample size= 981



Graph 9: Average revenue earned per month (in INR)



Key Results- II

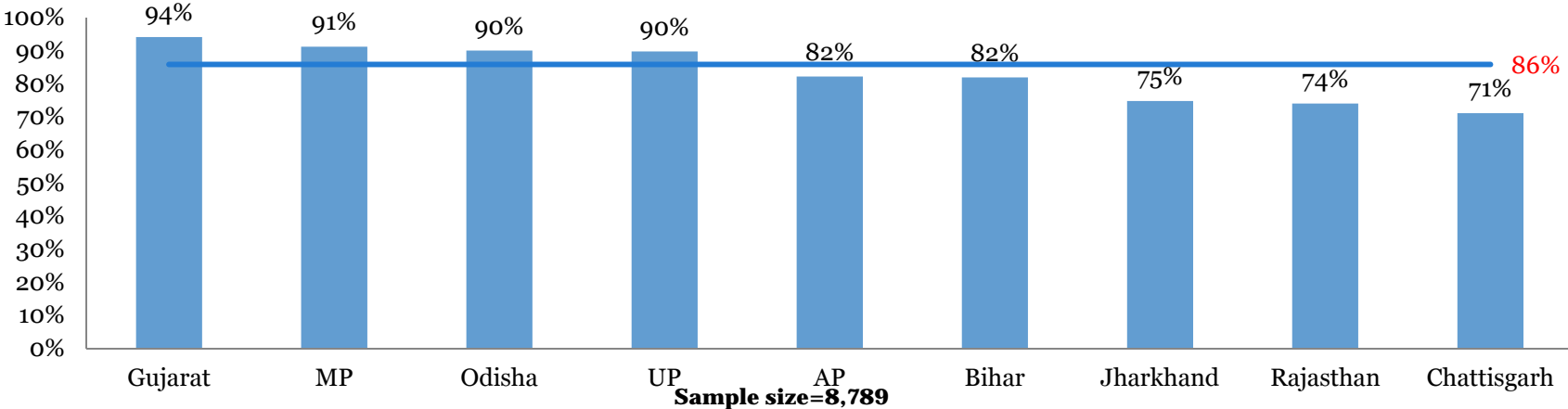
Beneficiary Interviews:

- i) Is the account opened under PMJDY their first account?
- ii) Have the customers received *RuPay* card?
- iii) Is the *Aadhaar* number available and has it been linked to the PMJDY account?

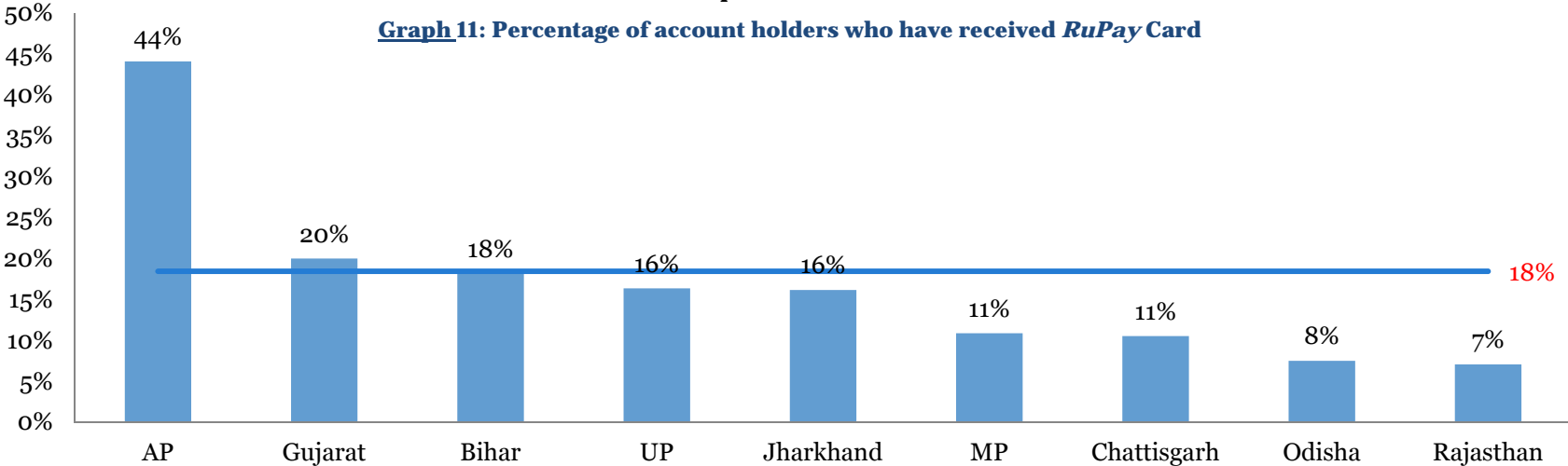
Account opened under PMJDY scheme is the first account for 86% of the account holders. However, only 18% of the account holders have received *RuPay* card.

Graph 10: PMJDY A/c first A/c- State-wise

Sample size=8,789

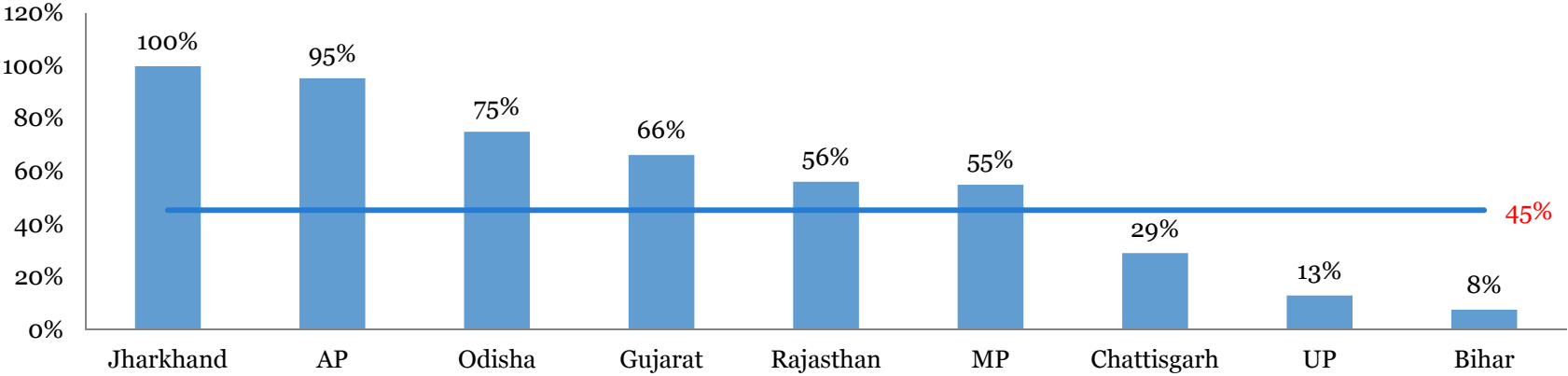


Graph 11: Percentage of account holders who have received *RuPay* Card

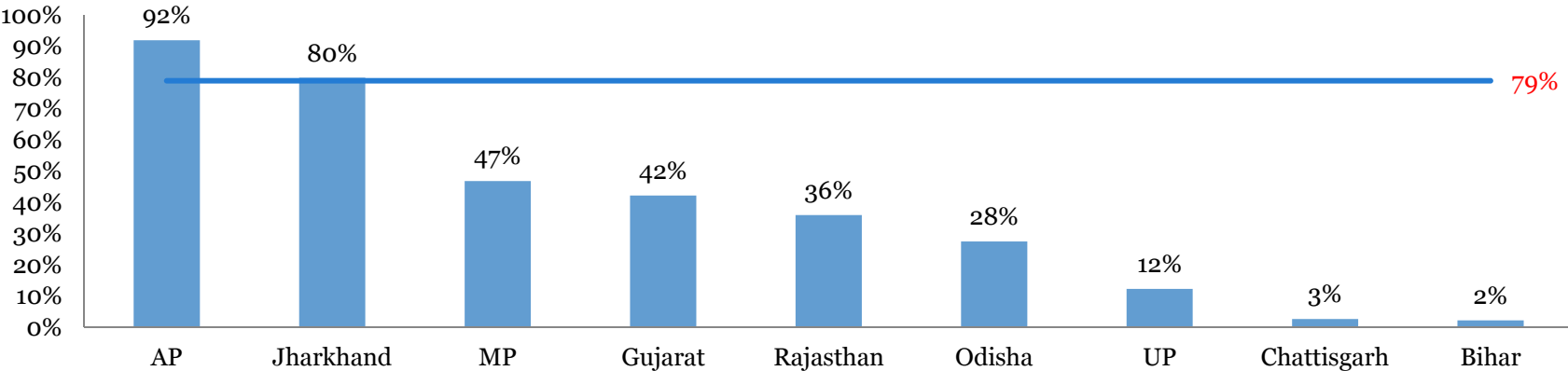


45% of the PMJDY account holders have *Aadhaar* number - of which 79% PMJDY accounts have been seeded with *Aadhaar*

Graph 12: PMJDY account holders having *Aadhaar* number
Sample size=8,789



Graph 13: *Aadhaar* seeded PMJDY accounts
Sample size=3,972



Service Quality- Strengths and Areas for improvement

- Working hours for BMs are longer than a typical bank branch
- In most cases, transaction point is nearer as compared to other options
- Waiting time is less – transaction is completed in less than ten minutes (including waiting time)

- Standardised branding for easy identification and trust building
- Standard training of BMs across banks and BCNMs to ensure basic knowledge of banking products to be able to answer customer queries
- Grievance redress mechanism to ensure high customer service levels and to build trust amongst target clients

Some common issues at the Bank Mitrs level

- *Mapping of multiple SSA*
- *Connectivity*
- *Commission*
- *Delay in account activation*
- *Low level of monitoring by Bank/ BCNM*
- *Absence of customer complaint resolution system*
- *Absence of helpline facility for customer*
- *Lack of branding of pass books/accounts opened under*

Best practices

- *Use of e-KYC for account opening*
- *Aadhaar based transactions*
- *Database Management*
- *Managing multiple SSAs*
- *Capacity building of Bank Mitr*

Recommendations

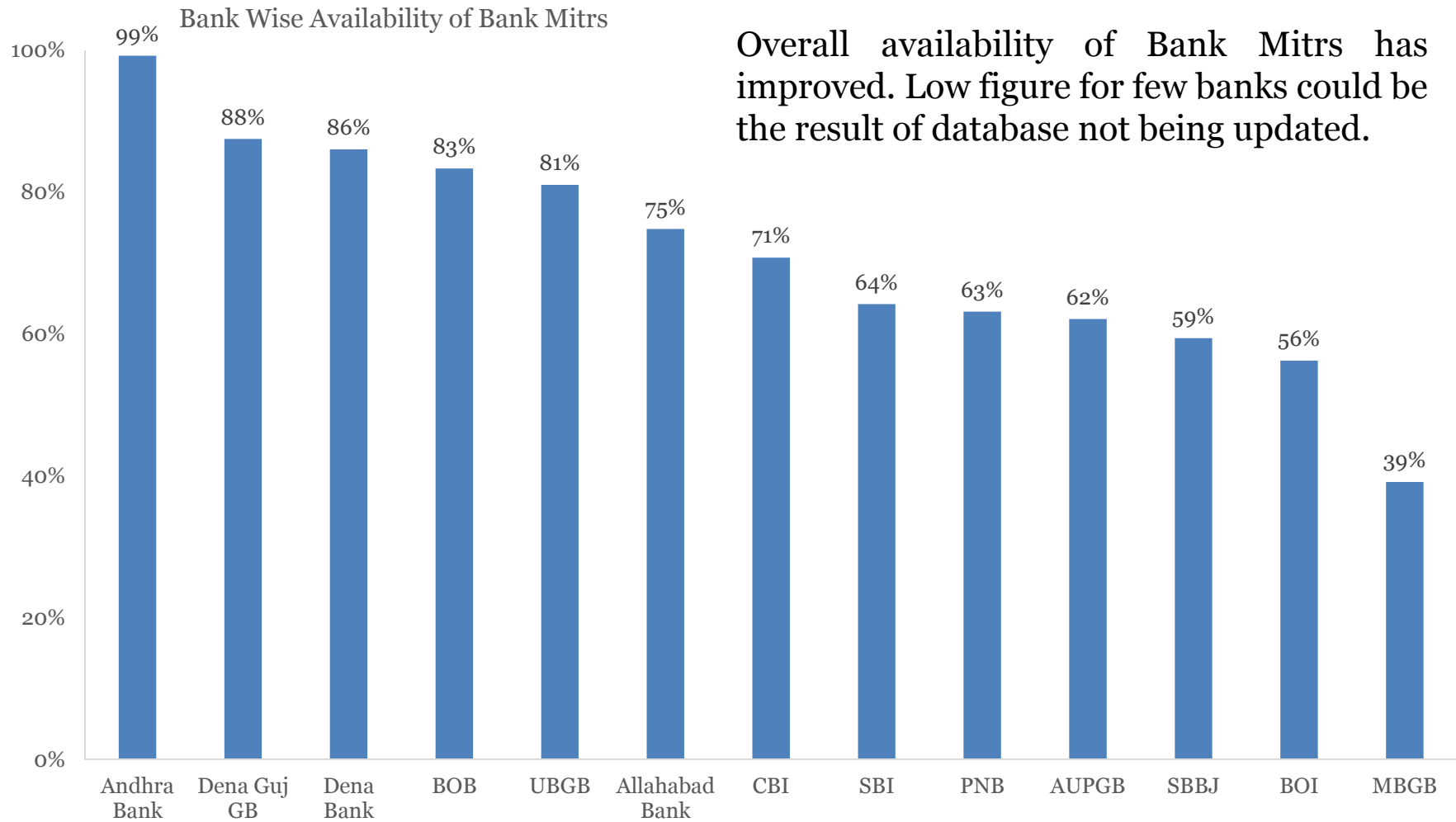
- *Standard format for data on BMs*
- *Sub service area (SSA) allocation has to be rationalised.*
- *Operational guidelines for Bank Mitr*
- *Monitoring by banks*
- *Capacity building*
- *Commission*
- *Financial Education*
- *Issuing passbooks*
- *Helpline facility*

Annexure

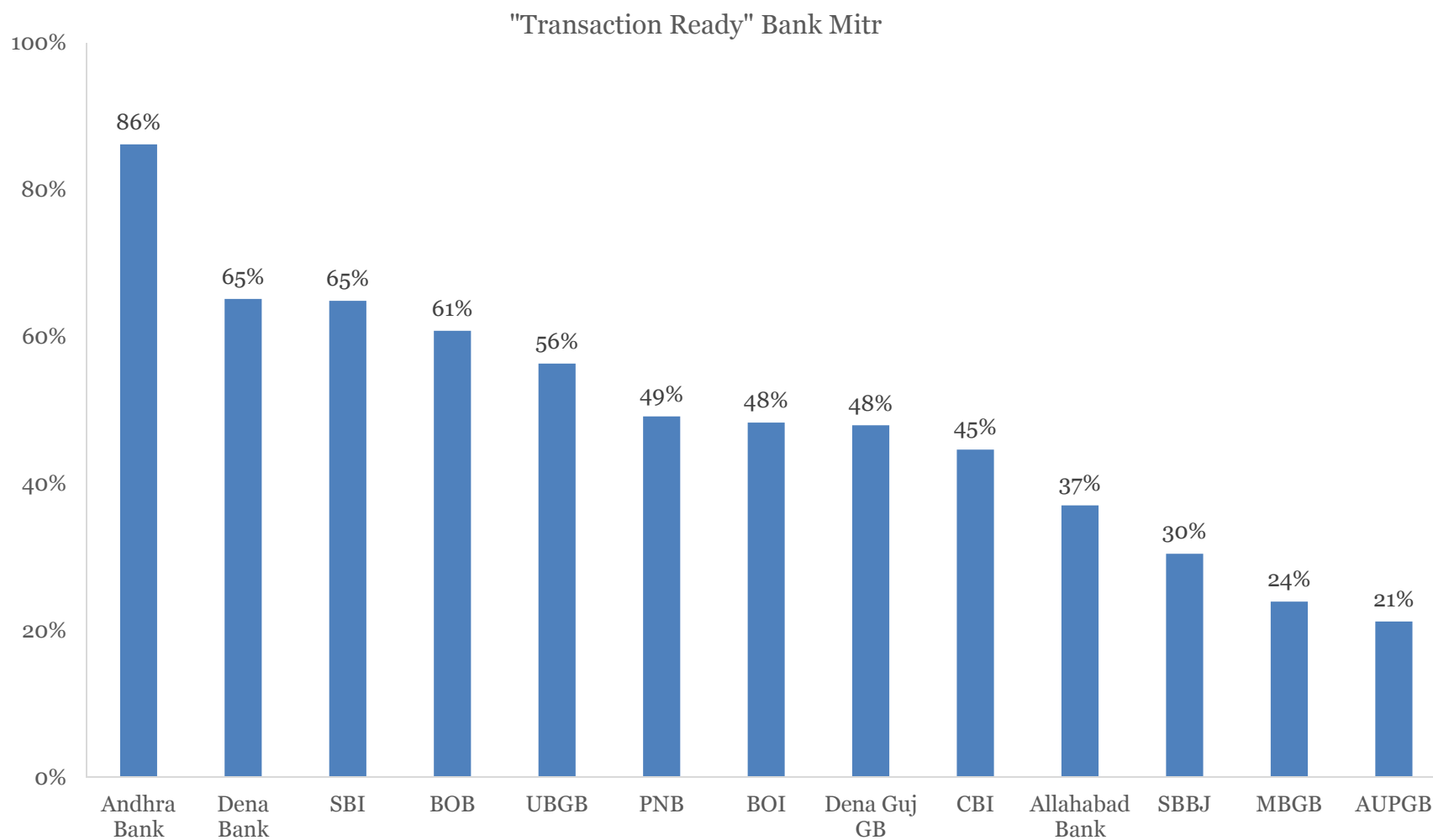
Bank Wise Analysis

For bank wise analysis, only those banks have been considered whose sample was 40 or more.

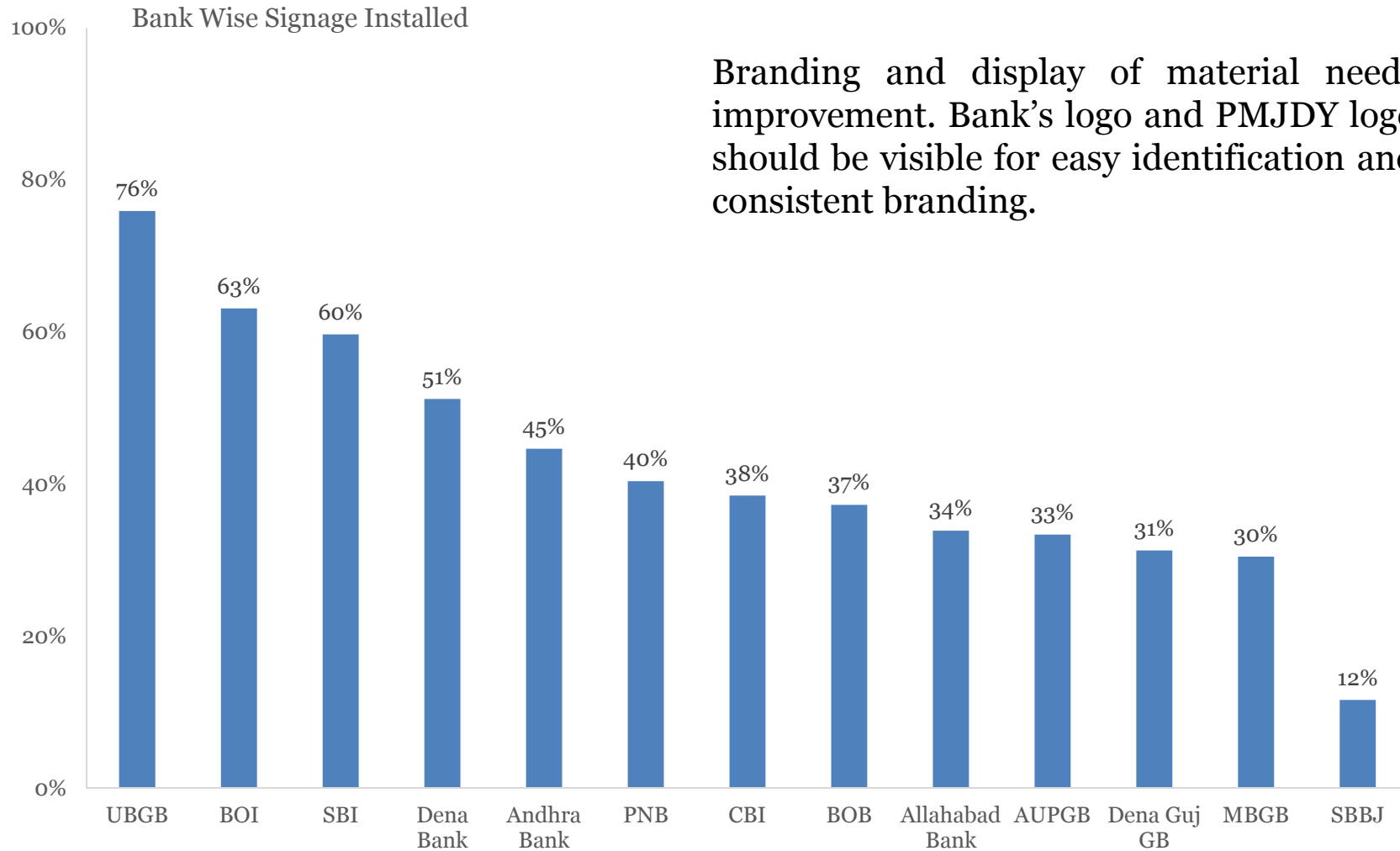
Availability of Bank Mitr



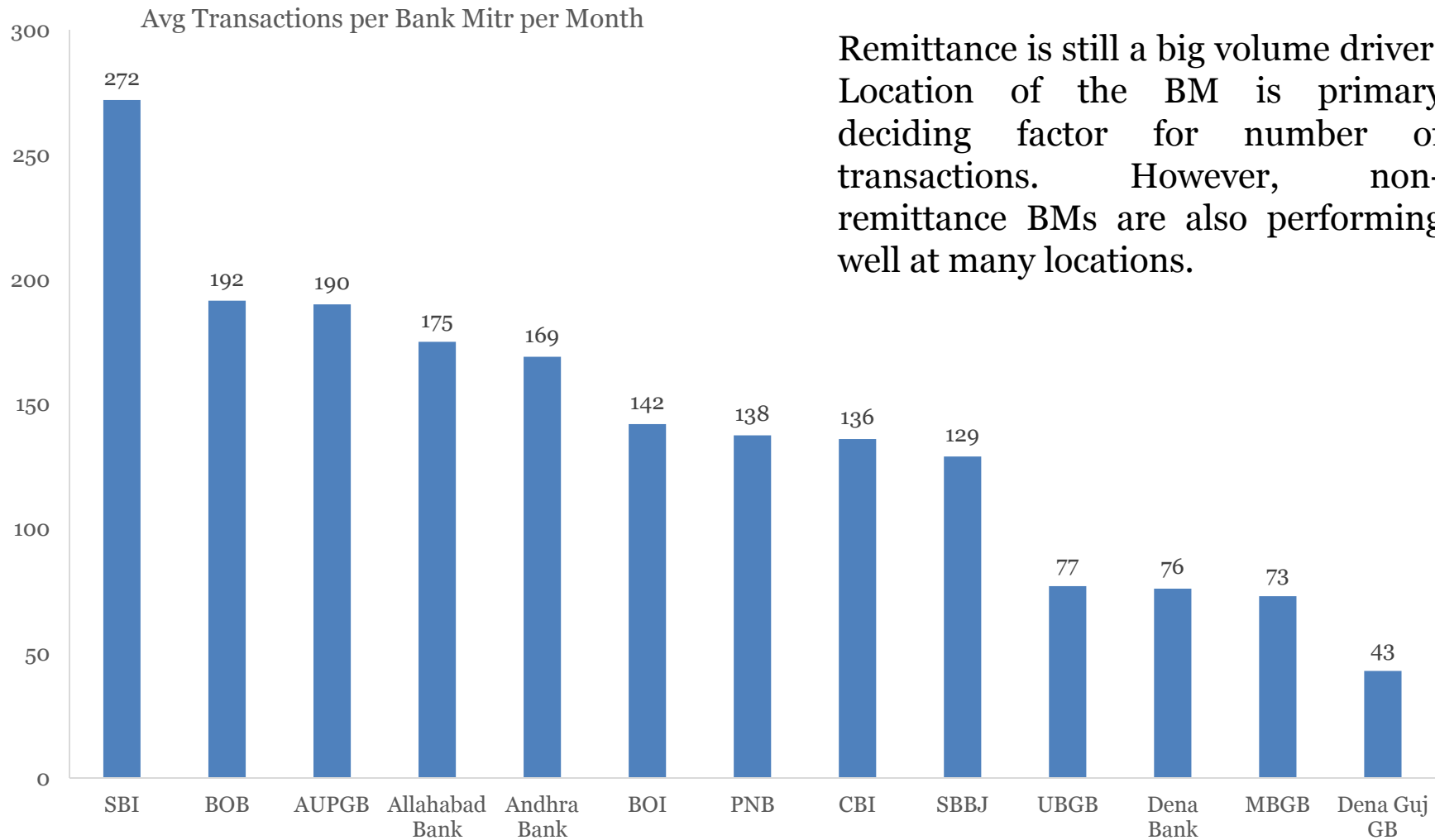
Can customer conduct transaction at Bank Mitr point?



Signage has not been installed at many places

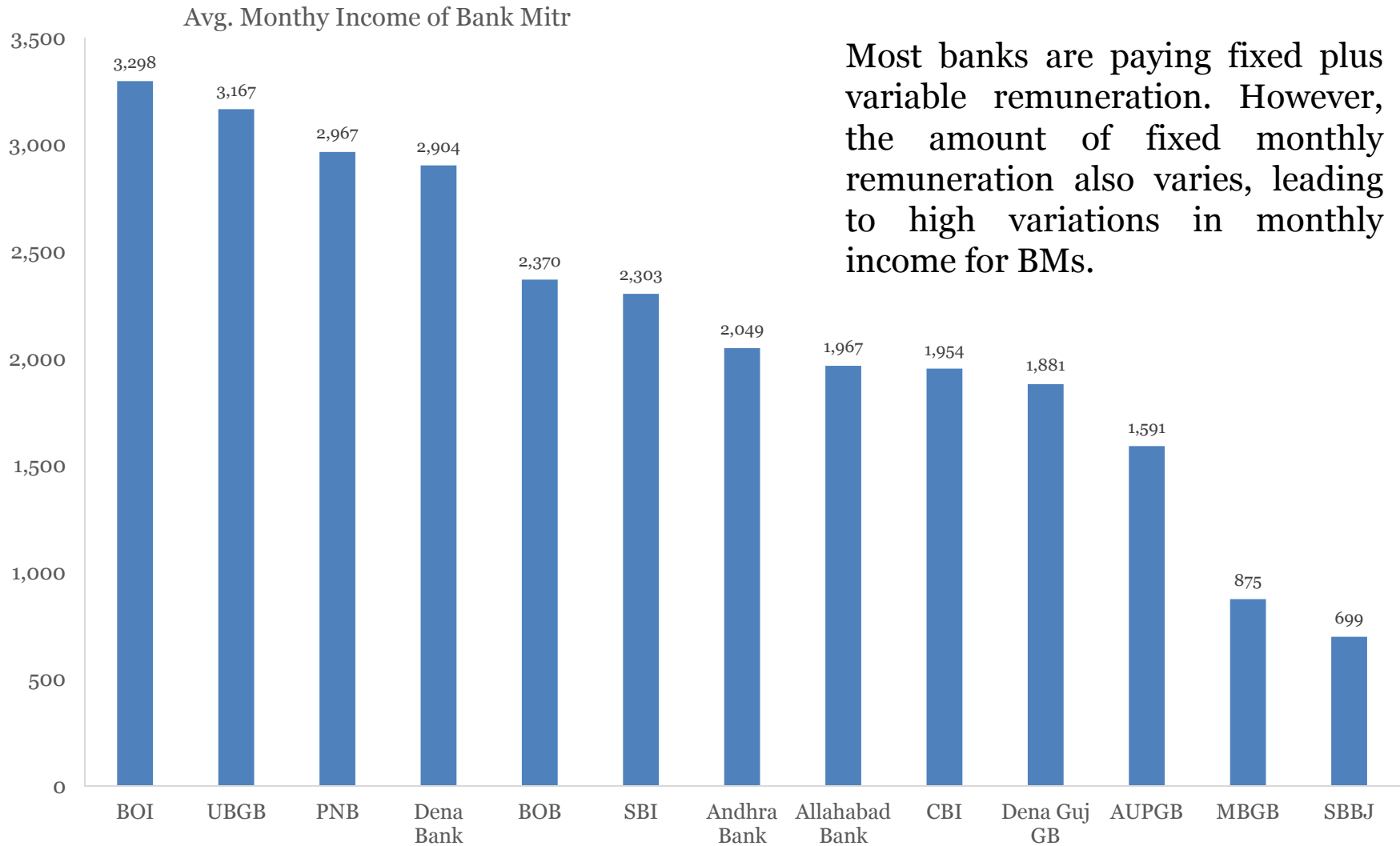


Average transaction per Bank Mitr per month has large variations



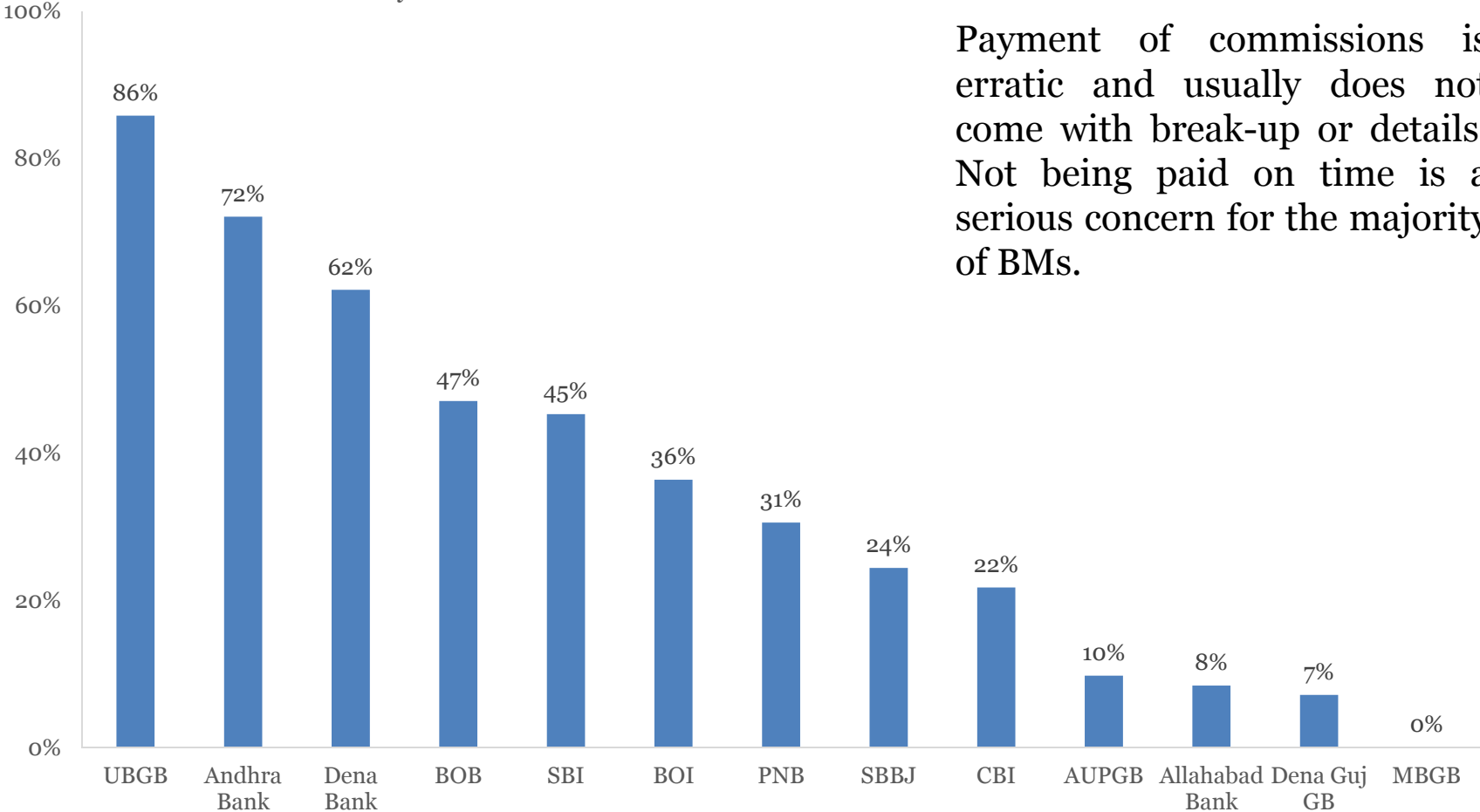
Remittance is still a big volume driver. Location of the BM is primary deciding factor for number of transactions. However, non-remittance BMs are also performing well at many locations.

And average monthly income of Bank Mitr also has large variations

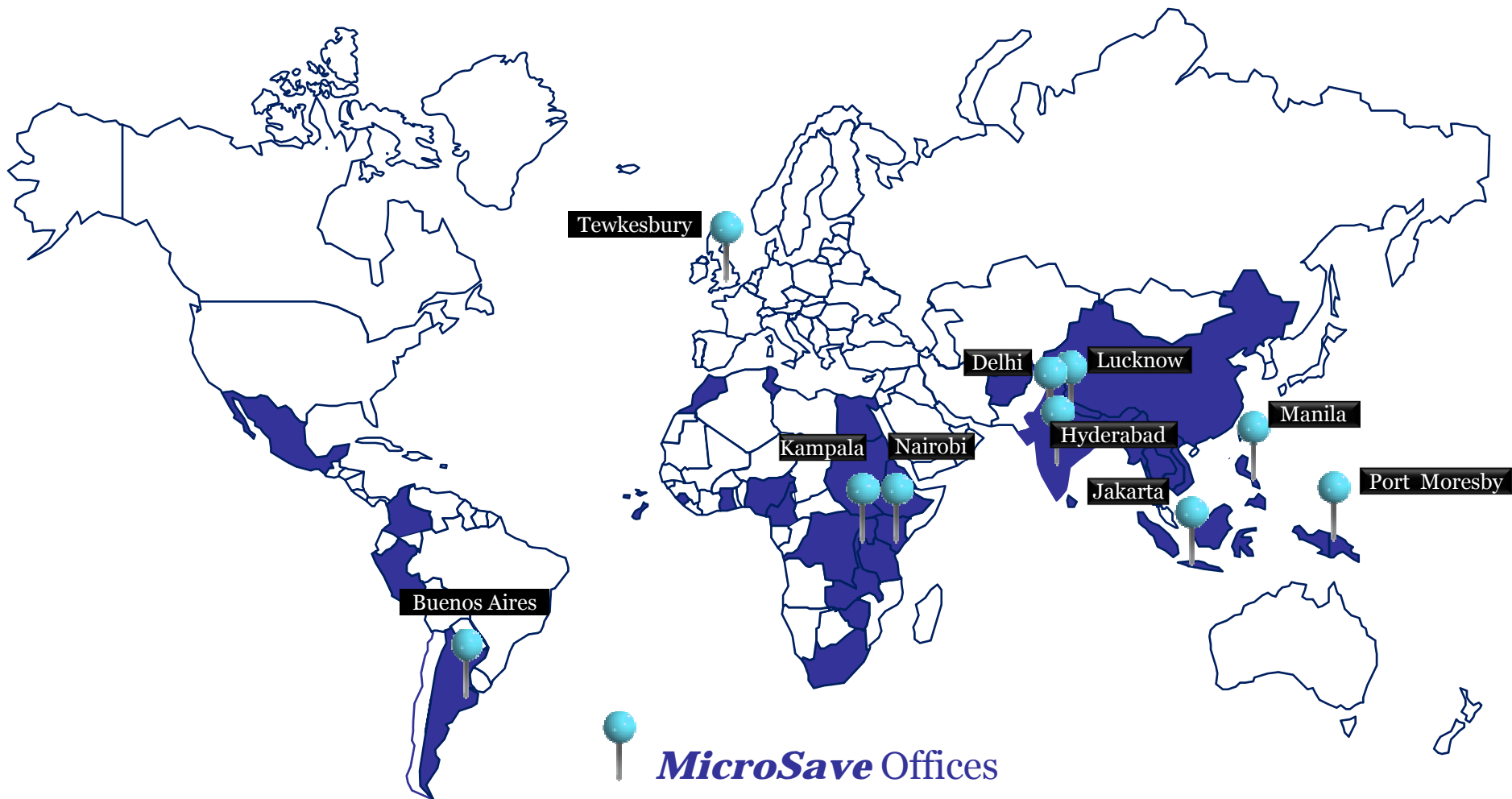


Few Bank Mitrs receive commissions on time

Comissions Received by Bank Mitr on Time



Payment of commissions is erratic and usually does not come with break-up or details. Not being paid on time is a serious concern for the majority of BMs.



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