

Fair Practice Code for Credit Card Operations

1. Preamble

- 1.1. This is a voluntary Code, recommended by Indian Banks' Association for adoption by Credit Card issuing member banks/institutions or their associates. It is expected that this fair practice code will act as a benchmark service standard in their dealings with individual customers. The code details the obligations the card issuers undertake while issuing credit cards and will guide their staff in dealing with customers. The code is expected to help the credit card users in knowing their rights and also measures they should take to protect their interests. The card issuers who adopt this code will place it on their websites and make copies available to customers on demand.

The covenants of this code will supplement and will not replace those applicable under 'Bankers' Fair Practice Code' recommended by Indian Banks' Association and adopted by the credit card issuing members/institutions.

Credit Card is a plastic card with a credit facility, which allows you to pay for goods and services or to withdraw cash.

About this Code

- 1.2. As a voluntary document, the Code promotes competition and encourages market forces to achieve higher operating standards to benefit customers. In the Code, 'you' denotes the credit card customer and 'we' the credit card issuer. The standards of the Code are governed by the four key commitments detailed in section 2. Unless stated otherwise, all parts of this Code apply to all the credit card products and services, whether we provide them across the counter, over the phone, on the internet or by any other method. Commitments outlined in this Code are applicable under normal operating environment. In the event of force majeure, we may not be able to fulfill the commitments under this Code.

2. Key Commitments

We promise to:

- 2.1. Act fairly and reasonably in all our dealings with you by:
- Meeting the commitments and standards in this Code, for the products and services we offer, and in the procedures and practices our staff/agents follow
 - Making sure our products and services meet relevant laws and regulations
 - Ensuring that our dealings with you will rest on ethical principles of integrity and transparency.

- Not engaging in any unlawful or unethical consumer practice.
- 2.2. Help you to understand how our credit card products and services work by giving you the following information in a simple language:
- What are the benefits to you?
 - How you can avail of the benefits?
 - What are their financial implications?
 - Whom you can contact for addressing your queries and how?
- 2.3. Deal quickly and effectively with your queries and complaints by:
- Offering channels for you to route your queries
 - Listening to you patiently
 - Accepting our mistakes, if any
 - Correcting mistakes / implementing changes to address your queries
 - Communicating our response to you promptly
 - Telling you how to take your complaint forward if you are not satisfied with the response
- 2.4. Publicize this Code, by making it available for public access on our website and make copies available for you on request.

3. Information (To help you to choose products and services, which meet your needs)

- 3.1. Before you become a credit card customer, we will:
- Ensure prudence while issuing credit cards and independently assess the credit risk while issuing cards to persons, especially to students and others with no independent financial means.
 - Convey in writing the main reason/reasons which have led to the rejection of the credit card applications.
 - Give you information explaining the key features of our credit card products including applicable fees and charges
 - Advise you what information/documentation we need from you to enable us to issue credit card to you. We will also, advise you what documentation is required from the customer to fulfill our KYC norms to comply with legal and regulatory requirements
 - Verify the details mentioned by you in the credit card application by contacting you on your residence and / or business telephone numbers and / or physically visiting your residence and/or business addresses through agencies appointed by us for this purpose, if deemed necessary by us.
- 3.2 Explain you the relevant terms and conditions such as fees and interest charges, billing and payment, renewal and termination procedures and any other information that you may require to operate the card.
- While issuing cards, the terms and conditions for issue and usage of a credit card will be mentioned in clear and simple language (preferably in English, Hindi and

the local language) comprehensible to you.

3.3 Advise you of our targeted turn-around time while you are availing / applying for a product / service.

3.4 Service guide/member booklet giving detailed terms and conditions, interest and charges applicable and other relevant information with respect to usage of your credit card will be sent along with your first credit card.

The Most Important Terms and Conditions (MITCs) termed as standard set of conditions will be highlighted and advertised/sent separately to you at all the stages i.e., during marketing, at the time of application, at the acceptance stage (welcome kit) and in important subsequent communications.

We will advise you our contact details such as contact telephone numbers, postal address, and website/e-mail address to enable you to contact us whenever you need to.

3.5 If you do not recognize a transaction, which appears on your credit card statement, we will give you more details if you ask us. In some cases, we may need you to give us confirmation or evidence that you have not authorized a transaction.

3.6 Through our service guide / member booklet, inform you of the losses on your account that you may be liable if your card is lost / misused.

3.7 In cases where we are offering any insurance cover to you, in tie-up with insurance companies, we may consider obtaining in writing from you the details of nominee/s for the insurance cover in respect of accidental death and disablement benefits. We may ensure that the relevant nomination details are recorded by the Insurance Company. We may also consider issuing a letter to you indicating the details regarding the name, address and telephone number of the Insurance Company which will handle the claims relating to the insurance cover.

3.8 Add-on cards i.e., those that are subsidiary to the principal card, may be issued with the clear understanding that the liability will be that of the principal cardholder. Similarly, while issuing corporate credit cards, the responsibilities and liabilities of the corporate and its employees may be clearly specified.

3.9 The Most Important Terms and Conditions (MITCs) termed as standard set of conditions will be highlighted and advertised/sent separately to you at all the stages i.e., during marketing, at the time of application, at the acceptance stage (welcome kit) and in important subsequent communications.

4. Tariff (Fees / Charges /Interest)

- 4.1. You can find our schedule of common fees and charges (including interest rates) by:
 - Referring to the service guide/member booklet
 - Calling up on customer service numbers
 - Visiting our website; or
 - Asking our designated staff
- 4.2. When you become a customer, we will provide you information on the interest rates applicable on your credit card and we will charge the same to your credit card account, if applicable.
- 4.3. Explain how we apply interest to your account.
- 4.4. We are advised and guided by the instructions on interest rate on advances issued by RBI and as amended from time to time, while determining the interest rate on credit card dues, the latter being in the nature of non-priority sector personal loans.
- 4.5. Inform a ceiling rate of interest, including processing and other charges, in respect of credit cards. In case we charge interest, rates which vary based on the payment/default history of the cardholder, there will be transparency in levying of such differential interest rates.
- 4.6. For this purpose, we will publicise through our website and other means, the interest rates charged to various categories of customers. We also upfront indicate to you, the methodology of calculation of finance charges with illustrative examples, particularly in situations where a part of the amount outstanding is only paid by you. Further, we will adhere to the following guidelines relating to interest rates and other charges on credit cards:
- 4.7. We ensure that there is no delay in dispatching bills and the customer has sufficient number of days (at least one fortnight) for making payment before the interest starts getting charged. In order to obviate frequent complaints of delayed billing, we may consider providing bills and statements of accounts online, with suitable security measures. We may also consider putting in place a mechanism to ensure that your acknowledgement is obtained for receipt of the monthly statement.
- 4.8. We quote Annualized Percentage Rates (APR) on card products (separately for retail purchase and for cash advance, if different). The method of calculation of APR will be given with a couple of examples for better comprehension. The APR charged and the annual fee will be shown with equal prominence.
- 4.9. The late payment charges, including the method of calculation of such charges

and the number of days, will be prominently indicated. The manner in which the outstanding unpaid amount will be included for calculation of interest should also be specifically shown with prominence in all monthly statements. Even where the minimum amount indicated to keep the card valid has been paid, it will be indicated in bold letters that the interest will be charged on the amount due after the due date of payment. These aspects may be shown in the Welcome Kit in addition to being shown in the monthly statement. *A legend/notice to the effect that **"Making only the minimum payment every month would result in the repayment stretching over years with consequent interest payment on your outstanding balance"** will be prominently displayed in all the monthly statements so as to caution you about the pitfalls in paying only the minimum amount due.*

- 4.10. We also step up their efforts on educating the cardholders of the implications of paying only 'the minimum amount due'. The "Most Important Terms and Conditions" will specifically explain that the 'free credit period' is lost if any balance of the previous month's bill is outstanding. For this purpose, we work out illustrative examples and include the same in the Welcome Kit sent to you and also place it on their website.
- 4.11. We follow uniform method of determining over-due status for credit card accounts while reporting to credit information companies and for the purpose of levying penal charges viz., late payment charges, etc., if any, as issued in terms of RBI circular DBOD.No.BP.BC.78/21.04.048/2013-14 dated December 20, 2013, as amended from time to time.
- 4.12. We will not levy any charge that was not explicitly indicated to you at the time of issue of the card and without getting your consent. However, this would not be applicable to charges like service taxes, etc. which may subsequently be levied by the Government or any other statutory authority.
- 4.13. The terms and conditions for payment of credit card dues, including the minimum payment due, will be stipulated so as to ensure that there is no negative amortization.

5. Changes in our tariff

- 5.1 Inform & update our website from time to time any change in our tariff (interest rate or other fees/charges) on our credit card products.
- 5.2 Changes in charges (other than interest) may be made only with prospective effect giving notice of at least one month. If you desire to surrender your credit card on account of any change in credit card charges to your disadvantage, you may be permitted to do so without levying any extra charge for such closure. Any request for closure of a credit

card has to be honored immediately by us, subject to full settlement of dues by the cardholder.

6. Wrongful billing

We ensure that wrong bills are not raised and issued to you. In case, you protest any bill, we will provide explanation and, if necessary, documentary evidence may also be provided to you within a maximum period of sixty days with a spirit to amicably redress the grievances.

7. Terms and conditions for issue of cards to customers

- 7.1 We will not dispatch a card to a customer unsolicited, except in the case where the card is a replacement for a card already held by the customer.
- 7.2 The relationship between the bank and the card holder shall be contractual.
- 7.3 We will make available to you in writing, a set of contractual terms and conditions governing the issue and use of such a card. These terms shall maintain a fair balance between the interests of the parties concerned.
- 7.4 The terms will be expressed clearly.
- 7.5 The terms shall specify the basis of any charges, but not necessarily the amount of charges at any point of time.
- 7.6 The terms shall specify the period within which your account would normally be debited.
- 7.7 The terms may be altered by us, but sufficient notice of the change shall be given to you to enable to withdraw if you choose so. A period shall be specified after which time you would be deemed to have accepted the terms if you have not withdrawn during the specified period.
- 7.8 The terms shall put you under an obligation to take all appropriate steps to keep safe the card and the means (such as PIN or code) which enable it to be used.
- 7.9 The terms will put you under an obligation not to record the PIN or code, in any form that would be intelligible or otherwise accessible to any third party if access is gained to such a record, either honestly or dishonestly.
- 7.10 The terms shall put the you under an obligation to notify the us immediately after becoming aware:
 - of the loss or theft or copying of the card or the means which enable it to be used;
 - of the recording on your account of any un-authorized transaction; and
 - if any error or other irregularity in the maintaining of that account by the bank.
- 7.11 The terms shall specify a contact point to which such notification can be made. Such notification can be made at any time of the day or night.
- 7.12 The terms shall specify that we will exercise care when issuing PINs or codes and shall be under an obligation not to disclose your PIN or code, except to you.
- 7.13 The terms shall specify that we will be responsible for direct losses incurred by you due to a system malfunction directly within our control. However, we will not be held liable for any loss caused by a technical breakdown of the payment system if the breakdown of the system was recognizable for you by a message on the display of the device or otherwise known. Our responsibility for the non-execution or defective execution of the transaction is limited to the principal sum and the loss of interest subject to the provisions of the law governing the terms.

8. Marketing Ethics: Use of Direct Sales Agent (DSAs)/Direct Marketing Agents (DMAs) and other Agents

8.1 Our sales representatives will identify themselves when they approach you for selling card products.

8.2 We have prescribed a code of conduct for our Direct Selling Agents (DSAs) whose services we may avail to market credit card products.

8.3 In the event of receipt of any complaint from you that our representative has engaged in any improper conduct, we shall take appropriate steps to redress the complaint.

8.4 When we outsource the various credit card operations, we will be extremely careful that the appointment of such service providers does not compromise with the quality of the customer service and our ability to manage credit, liquidity and operational risks. In the choice of the service provider, we will be guided by the need to ensure confidentiality of your records, respect your privacy, and adhere to fair practices in debt collection

8.5 We ensure that the DSAs engaged by us for marketing their credit card products scrupulously adhere to the Code of Conduct for Credit Card operations which will be displayed on our website and be available easily to any credit card holder.

8.6 We have a system of random checks and mystery shopping to ensure that our agents have been properly briefed and trained in order to handle with care and caution their responsibilities, particularly in the aspects included in these guidelines like soliciting customers, hours for calling, privacy of customer information, conveying the correct terms and conditions of the product on offer, etc.

9. Telemarketing

9.1 If our telemarketing staff/agents contact you over phone for selling any of our credit card products or with any cross sell offer, the caller will identify himself/herself and advise you that he/she is calling on our behalf.

9.2 We also ensure that the telemarketers comply with directions/regulations on the subject issued by the Telecom Regulatory Authority of India (TRAI) from time to time while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)".

10. Issuance of Credit Card / PIN

10.1 We will dispatch your credit card only to the mailing address mentioned by you through courier / post. Alternatively, we shall deliver your credit card at the alternate address on your request or our branches which maintain your banking account(s) under due intimation to you.

10.2 We may also issue deactivated (not ready to use) credit card if we consider your profile appropriate for issuing credit card and such deactivated card will become active only after your acceptance of the same.

10.3 PIN (personal identification number) whenever allotted, will be sent to you separately.

10.4 Also as our initiative to Go-Green we shall in future suppress the physical PIN as the same can be generated through our digital channels

11. Account Operations card statements –

11.1 Credit Card Statements

To help you manage your credit card account and check details of purchases/cash drawings using the credit card, we will offer you a facility to receive credit card transaction details either via monthly mail or through the internet. Credit card statement will be dispatched on a predetermined date of every month which will be notified to you.

In the event of non-receipt of this information, we expect you to get in touch with us so that we can arrange to resend the details to enable you to make the payment and highlight exception, if any in a timely manner.

We will let you know / notify changes in schedule of fees and charges and terms and conditions. Normally, changes (other than interest rates and those which are a result of regulatory requirements) will be made with prospective effect giving notice of at least one month.

11.2 Protecting your account

We will advise you what you can do to protect your credit card from misuse.

In the event your credit card has been lost or stolen, or that someone else knows your PIN or other security information, we will, on your notifying us, take immediate steps to try to prevent these from being misused, subject to operating regulations and law in force.

11.3 Processing activities at our end

We may allow processing of credit cards related activities including operations and cross selling to third party agencies that we consider appropriate for these purposes.

12. Confidentiality of Account Details

12.1 We will treat all your personal information as private and confidential (even when you are no longer a customer). We will not reveal transaction details of your accounts to a third party, including entities in our group, other than in the following four exceptional cases when we are allowed to do –

- If we have to give the information by law
- If there is a duty towards the public to reveal the information
- If our interests require us to give the information (for example, to prevent fraud) but we will not use this as a reason for giving information about you or your accounts (including your name and address) to anyone else, including other companies in our group, for marketing purposes
- If you ask us to reveal the information, or if we have your permission to provide such information to our group/associate/entities or companies when we have tie- up arrangements for providing other financial service products.

12.2 We will not reveal any information relating to you obtained at the time of opening the account or issuing the credit card to any other person or organization without obtaining their specific consent, as regards the purpose/s for which the information will be used and the organizations with whom the information will be shared. The application form for credit card must explicitly provide for consent the same. Further, in case where you give your consent for us for sharing the information with other agencies, we will explicitly state and explain clearly to you the full meaning/ implications of the disclosure clause. The information being sought from you will not be of such nature as will violate the provisions of the laws relating to secrecy in the transactions. We would be solely responsible for the correctness or otherwise of the data provided for the purpose.

12.3 The disclosure to the DSAs/recovery agents should also be limited to the extent that will enable them to discharge their duties. Personal information provided by you but not required for recovery purposes should not be released by us. We also ensure that the DSAs/DMAAs do not transfer or misuse your information during marketing of credit card products.

13. Collection of dues

Our bank's dues collection policy is built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or/and security repossession will identify himself/herself and interact with you in a civil manner. We will provide you with all the information regarding dues and will give sufficient notice for payment of dues. Our staff/agents are governed by Model Code for Collection of Dues and Repossession of Security issued by Indian Banks' Association

- 13.1 If we are required to reject an application, the main reason for doing so will be conveyed in writing within a reasonable period of time for all the applicants.
- 13.2 In the matter of recovery of dues, we and agents ensure to adhere to the extant instructions on Fair Practice Code for lenders
- 13.3 In particular, in regard to appointment of third-party agencies for debt collection, it is essential that such agents refrain from action that could damage the integrity and reputation of the bank and that they observe strict customer confidentiality. All letters issued by recovery agents must contain the name and address of a responsible senior officer of the card issuing bank whom the customer can contact at his location.
- 13.4 Banks/their agents should not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts

intended to humiliate publicly or intrude the privacy of the credit card holders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.

- 13.5 The banks should also ensure to comply with the extant guidelines in respect of engagement of recovery agents issued by RBI, as amended from time to time.

14 Reporting to Credit Information Companies (CICs)

- 14.1 For providing information relating to credit history/repayment record of the card holder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the bank may explicitly bring to the notice of the customer that such information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005.
- 14.2 Before reporting default status of a credit card holder to a Credit Information Company which has obtained Certificate of Registration from RBI and of which the bank is a member, bank should ensure that they adhere to a procedure, duly approved by their Board, including issuing of sufficient notice to such card holder about the intention to report him/ her as defaulter to the Credit Information Company. The procedure should also cover the notice period for such reporting as also the period within which such report will be withdrawn in the event the customer settles his dues after having been reported as defaulter. Bank should be particularly careful in the case of cards where there are pending disputes. The disclosure/release of information, particularly about the default, should be made only after the dispute is settled as far as possible. In all cases, a well laid down procedure should be transparently followed. These procedures should also be transparently made known as part of Most Important Terms and Conditions (MITCs)

15. Code of Conduct for Collection of Dues:

15.1 Introduction:

Our bank is committed to:

- Following fair practices especially with regard to collection of dues.
- Fostering customer confidence and long-term relationship.

15.2 Dues Collection Policy Statement:

Dignity and Respect to customers is our Debt Collection Policy and we do not follow policies that are unduly coercive in collection of dues.

Our bank's dues-collection policy is built on courtesy, fair-treatment and persuasion.

15.3 General guidelines:

- Customer should be contacted ordinarily at the place of his choice and in the absence of any specified place at the place of his residence and if unavailable at his residence, at the place of business /occupation.
- Identity and authority to represent should be made known to the customer at the first instance.
- Customer privacy should be respected.
- Interaction with the customer should be in a civil manner.
- Customer should be contacted between 0700 hrs and 1900 hrs. Unless the special circumstances of the borrower's business or occupation require otherwise.
- Customer requests to avoid calls at a particular time or at a particular place should be honored as far as possible.
- Time and number of Calls and contents of conversation should be documented.
- Customer should be provided with all the information regarding dues and necessary notice should be given for enabling discharge of dues.

- All assistance should be given to resolve disputes or differences in a mutually acceptable and in an ordinary manner.
- During visits to the customers' place for dues collection, decency and decorum should be maintained.
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.
- Demeanor that would suggest criminal intimidation or threat of violence should be scrupulously avoided.

	Do's	Do Not's
Speech	<ul style="list-style-type: none"> • Use formal address • Tone should be sincere polite, yet assertive and firm. 	<ul style="list-style-type: none"> • Do not get tough or aggressive or abusive • Do not lose cool, get angry or even irritated irrespective of reason. • Pitch should not be high. • No shouting • Should not be personal • Do not threaten/harass/torment the customer in anyway.
Ethics		<ul style="list-style-type: none"> • Collector should not make any verbal or written promises to customer without bank supervisor/bank on matters outside his preview or an ad hoc settlements/product features. • Should not State any false information
Confidentially		<ul style="list-style-type: none"> • Unauthorized information written or verbal cannot be divulged to any customer/competitor/any other person. E.g. photocopy of st cards, showing previous trails to customers.
Process/Product Discipline	<ul style="list-style-type: none"> • Collectors will perform their role within the framework of the instructions issued to them in terms of process notes and specifies of collection action based on the product. 	

Maximize Effectiveness	<ul style="list-style-type: none"> Collectors will strive to maximize the effectiveness of the visitations by previsit preparation and result orientation in order to improve results. Will document result in visit/action taken. 	
Proximity	<ul style="list-style-type: none"> Maintain a reasonable distance from the customer 	<ul style="list-style-type: none"> No physical contact with the customer No obstruction to customer movement
Timing (City Specific)	<p>Earliest : 0700 hours Latest : 1900 hours</p> <p>- (Unless the special circumstances of the borrower's business or occupation demands otherwise.)</p>	

16. Redressal of Grievances

16.1 We have a Grievance Redressal Cell/Department/Center within the organization. If you want to make a complaint, we will tell you how to do this and what to do if you are unhappy about the outcome. Our staff will help you with any queries you have.

16.2 Our Complaint handling procedure is displayed on our website along with the time frame for responding to your complaints and escalation process.

16.3 Generally, a time limit of 60 (sixty) days may be given to the customers for referring their complaints/grievances.

16.4 The card issuing bank should constitute Grievance Redressal machinery within the bank and give wide publicity about it through electronic and print media. The name and contact number of designated grievance redressal officer of the bank should be mentioned on the credit card bills. The designated officer should ensure that genuine grievances of credit card subscribers are redressed promptly without involving delay.

16.5 Banks should ensure that their call centre staff is trained adequately to competently handle all customer complaints.

16.6 Banks should also have a mechanism to escalate automatically unresolved complaints from a call centre to higher authorities and the details of such mechanism should be put in public domain through their website.

16.7 The grievance redressal procedure of the bank and the time frame fixed for responding to the complaints should be placed on the bank's website. The name, designation, address and contact number of important executives as well as the Grievance Redressal Officer

of the bank may be displayed on the website. There should be a system of acknowledging customers' complaints for follow up, such as complaint number/docket number, even if the complaints are received on phone.

16.8 If a complainant does not get satisfactory response from the bank within a maximum period of thirty (30) days from the date of his lodging the complaint, he will have the option to approach the Office of the concerned Banking Ombudsman for redressal of his grievance/s. The bank shall be liable to compensate the complainant for the loss of his time, expenses, financial loss as well as for the harassment and mental anguish suffered by him for the fault of the bank and where the grievance has not been redressed in time.

17. RBI, DPSS guidelines on timeframe for reconciliation of failed transactions at ATMs as amended from time to time should be complied with in this regard. Banking Ombudsman Service and other avenues for redressal

17.1 Within 30 days of lodging a complaint with us, if you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Banking Ombudsman appointed by Reserve Bank of India under Banking Ombudsman Scheme 2006.

18. Termination of Credit Card

18.1 You may terminate your credit card by giving notice to us and by following the procedure laid down by us in our service guide/ member booklet after clearing outstanding dues, if any.

18.2 We may terminate your credit card, if in our opinion; you are in breach of the cardholder agreement.

19. Feedback and Suggestions

Please provide feedback on our services. Your suggestions will help us to improve our services.

20. Issue of unsolicited cards/facilities

Unsolicited cards should not be issued. In case, an unsolicited card is issued and activated without the written consent of the recipient and the latter is billed for the same, the card issuing bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed.

In addition, the person in whose name the card is issued can also approach the Banking Ombudsman who would determine the amount of compensation payable by the bank to the recipient of the unsolicited card as per the provisions of the Banking Ombudsman Scheme 2006, i.e., for loss of complainant's time, expenses incurred, harassment and mental anguish suffered by him.