

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1023

ANSWERED ON – 7/12/2021

Guidelines for banks for credit card holders

1023. Dr. C.M. Ramesh:

Will the Minister of FINANCE be pleased to state:

- (a) whether RBI has formulated any guidelines for all the banks for credit card holders to prevent any victimisation of such holders by the banks, if so, the details thereof; and
- (b) whether any such cases have come to the notice of Government for non-compliance of guidelines by the banks during the last three years, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): Reserve Bank of India (RBI) has informed that the RBI (Digital Payment Security Controls) Direction was issued on 18.2.2021 for regulated entities to set up a robust governance structure for digital payment systems and implement common minimum standards of security controls for channels like internet, mobile banking, card payments, among others, to create an enhanced and enabling environment for customers to use digital payment products in more safe and secure manner. Instructions/guidelines issued on credit card/ debit card/pre-paid card operations of banks are also contained in the RBI's Master Circular dated 1.7.2015 to provide a framework of rules/regulations/standards/practices to the credit, debit, prepaid card issuing banks to ensure that the same are in alignment with the best customer practices and banks adopt adequate safeguards so that bank's card operations are run on sound, prudent and customer friendly manner. Banks are also advised to block a lost card immediately on being informed by the customer and formalities, if any, including lodging of FIR can follow within a reasonable period.

RBI has informed that certain instances have been observed which include, *inter alia*, unsolicited calls for Add-on cards, insurance for cards, charging of annual fees on cards issued free for life, wrong billing/wrong debits, and wrong reporting of credit information to credit information bureau. Further, RBI has apprised that compliance to RBI guidelines issued to the banks is examined on sample basis during the supervisory assessment of the banks and any non-compliance observed are taken up with the banks for the rectification apart from initiating supervisory/enforcement action against the bank, as deemed fit. Also, 22 offices of ombudsman across the country receive complaints under the grounds of complaints prescribed in the Banking Ombudsman Scheme, 2006 which included the ground pertaining to non-adherence by the bank to the instructions of RBI on credit card operations and which includes *inter alia*, unsolicited calls for Add-on cards, insurance for cards, charging of annual fees on cards issued free for life, wrong billing/wrong debits, and wrong reporting of credit information to credit information bureau.
