

CREDIT CARD POLICY



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Chapter-1: Introduction

This policy document covers the key features related to issuance and conduct of Credit Card business by the Bank. The Bank will abide by all the guidelines, directives, instructions and advices of RBI as may be in force from time to time.

Chapter-2: Definitions

The terms related to Credit Card herein shall bear the meanings assigned as below:

- **Add-on Credit Card** means a supplementary credit card to the principal or primary credit card, issued to person/s with predefined relationship with the primary cardholder, within the credit limits and liability of the latter, subject to such terms and conditions as stipulated by the Bank.
- **Annual Percentage Rate** is the annual cost of credit to the cardholder which includes interest rate and all other charges associated with the credit card under different scenarios based on card features.
- **Billing Cycle/Billing Period** is the regular length of time between closing dates of two consecutive bills raised by the Bank.
- **Business Credit Cards** are issued to business entities/individuals for the purpose of business expenses with specified terms and conditions and not for personal use.
- **Cardholders** – A person to whom a card is issued or one who is authorized to use an issued card.
- **Card-issuers** - Banks which issue debit or credit cards and Non-Banking Financial Company (NBFC) which have been permitted by RBI to issue credit cards in India.
- **Card Loyalty/Reward Programme/s** are those schemes linked to a credit card whereby the Bank or associated merchant establishments, upon use of the card/s, offer digital coupons, points, discounts, cash backs or other benefits having monetary value that can be used/redeemed for the same transactions or other future transactions after accumulation.

- **Co-branded Card** is a card that is issued jointly by a Bank and a co-branding entity bearing the names of both the partnering entities.
- **Convenience Fee** is a fixed or pro-rata charge on use of credit cards as one of the alternative forms of payment which is not ordinarily accepted vis-à-vis other forms of payment.
- **Corporate Credit Card** is a credit card that is issued to specific employee/s of a corporate employer wherein the liability could rest with the corporate entity or the employee or jointly on both, as per the product design features.
- **Counterfeit Card** is fictitious, altered, forged or unlawfully obtained issuer's card account information.
- **Credit Limit** is the maximum amount of revolving credit determined and notified to the cardholder to transact in the credit card account.
- **Form Factor** is the physical or virtual instrument that can be used in place of a card to undertake a payment/Banking transaction.
- **FinTech** is a combination of the terms "financial" and "technology," refers to businesses that use technology to enhance or automate financial services and processes.
- **Interest-Free Credit Period** is the time period from the date of transaction to the due date of payment, wherein interest free payment can be made, subject to the payment of entire outstanding on or before the payment due date by the cardholder.
- **Market Place:** These online retail platforms are digital shopfronts. Bank may partner with different service providers to source credit card through online mode.
- **Minimum Amount Due** is the minimum amount of money, as a part of the total bill amount, that a cardholder has to pay to not be treated as an overdue bill.
- **Most Important Terms and Conditions (MITC)** are the standard set of conditions for the issuance and usage of credit cards, thereby defining the responsibilities and liabilities of the Bank and the cardholder.
- **Payment System Operator** is an authorized party that undertakes the operation of payment systems. They provide services and deal in payment and

settlement-related activities.

- **Payment Aggregator** acts as a third party responsible for managing and processing digital transactions. A payment aggregator facilitates payments from consumers to merchants, be it by credit card, debit card, bank transfer, e-wallet or stored value account, without requiring merchants to go to a bank.
- **Replacement of Credit Card** includes issuance of a new card in place of an existing card in lieu of the change in the underlying account relationship, up gradation due to new technology or systems or re-issuance of cards that have been lost, blocked or suspended temporarily, but does not include the opening of a new account after a previous account was closed.
- **Storefront** or **Shopfront** is the facade or entryway of a retail store located on the ground floor or street level of a commercial building, typically including one or more display windows. A storefront functions to attract visual attention to a business and its merchandise.
- **Surcharge** is a fee, levied by a merchant for purchases made by customer with a credit card.
- **Tokenisation** refers to replacement of actual card details with an alternate code called the “token”, which shall be unique for a combination of card, token requestor and device.
- **Unsolicited Credit Card** is a credit card issued without a specific written/digital request.
- **Upgradation of Credit Card** means enhancement in the benefits and features of credit cards issued, for example, an increase in the credit or cash limit of the card.

Chapter - 3: Sourcing Channel

Bank may use following sourcing channels for acquisition of customers for IDBI Bank Credit Cards-

(A) Direct Sourcing Channels: It includes sourcing through IDBI Bank Branch networks, Customer self-sourcing and Direct response advertising.

(B) Indirect Sourcing Channels: It includes sourcing through Co-branding arrangements, Direct Sales/Marketing Agents (DSAs/DMAAs), Market Place, Tele-marketing etc.

Chapter-4: Conduct of Credit Card Business

(A) Interest rates and other charges

- The Bank will charge interest in accordance with the RBI and internal guidelines issued from time to time. Interest shall be charged on the basis of “Annualized Percentage Rates (APR)” for different situations such as retail purchases, balance transfer, cash advances, nonpayment of minimum amount due, late payment etc.
- The MITC shall specifically explain that the ‘interest-free credit period’ is suspended if any balance of the previous month’s bill is outstanding.
- Bank shall report a credit card account as 'past due' to credit information companies (CICs) or levy penal charges viz. late payment charges and other related charges if any, only when a credit card account remains 'past due' for more than three days. Changes in charges shall be made only with prospective effect giving prior notice of at least one month.

(B) Billing

- Bank will provide the monthly billing statement to the customer’s .In case, a cardholder protests any bill, Bank shall provide explanation and wherever

applicable, documentary evidence shall be provided to the cardholder within a maximum period of 30 days from the date of complaint.

- No charges shall be levied on transactions disputed as 'fraud' by the cardholder until the dispute is resolved. In order to provide flexibility in billing cycle, cardholders shall be provided a one-time option to modify the billing cycle of the credit card as per their convenience.
- Any credit amount arising out of refund/failed/reversed transactions or similar transactions before the due date of payment for which payment has not been made by the cardholder, shall be immediately adjusted against the 'payment due' and notified to the cardholder.
- In-cases where the payment has been made, Bank will seek explicit consent of the cardholder to adjust credit amount beyond, one percent of the credit limit or ₹5000, whichever is lower, arising out of refund / failed / reversed transactions. Bank shall reverse the credit transaction to the cardholder's Bank account, if no consent/response is received from the cardholder. Notwithstanding the cut-off, if a cardholder makes a request to the Bank for reversal of the credit balance in the card account into his/her bank account, the Bank shall do it within three working days from the receipt of such request.

(C) Reporting to Credit Information Companies

- For providing information relating to credit history/repayment record of the cardholder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the Bank shall explicitly bring to the notice of the customer that such information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005.
 - Before reporting default status of a credit cardholder to a Credit Information Company, a seven day notice period shall be issued to such cardholder about the intention to report him/her as defaulter to the Credit Information Company. In the event the customer settles his/her dues after having been reported as defaulter, the Bank shall update the status within 30 days from the date of settlement. The disclosure/release of information, particularly about the default, shall be made only after the dispute is settled.
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(D) Bank Employees/ Agencies /Agents Conduct : During the appointment of outsource agencies for various credit card related operations activity, quality of the customer service and confidentiality of the customer's records, privacy should be maintained. The disclosure of customers' information to the DSAs/DMA/recovery agents shall be limited to the extent that will enable them to discharge their duties. Personal information provided by the cardholder but not required for recovery purposes shall not be released.

(E) Credit Card Issuance to Foreign Nationals: Bank may consider issuing Credit Card to Foreign Nationals on the basis of merits of each case after assessing the credit risk and complying Foreign Exchange Management Act (FEMA), 1999 act.

(F) Credit Card Issuance to NRI / POI:

- Applicant should be an Indian Passport holder and should give an undertaking to the Bank that if he/ she ceases to be an Indian Passport holder, he/she will surrender the card to the Bank without fail.
- The applicant should maintain an NRE/ NRO account with Bank & the Settlement of Credit Card dues and charges should be to the debit of NRE/ NRO account. The Settlement of credit card dues to the debit of NRO rupee account /NRE accounts to the extent of card limit for use of credit cards issued by Banks in India is subject to the conditions for use of the international credit cards by residents.

(G) Reward Program: All IDBI Credit Cards will be eligible for reward points/vouchers/cashback as per the structure defined by the Bank from time to time.

(H) Issue of unsolicited facilities: Unsolicited loans or other credit facilities shall not be offered to the credit cardholders without seeking explicit consent. Explicit consent of the card holders shall invariably be taken whenever there is any change in terms and conditions.

(I) Types of credit cards

- Issuance of credit cards to individuals for personal use together with add-on cards wherever required.
- Issuance of cards linked to overdraft accounts that are in the nature of personal loans without any end-use restrictions subject to the conditions as stipulated in the overdraft account.
- Issuance of business credit cards to business entities/individuals for business expenses.
- The add-on cards shall be issued only to the persons specifically identified by the principal cardholder under both personal and business credit card categories. Add-on cards shall be issued with the clear understanding that the liability will be that of the principal cardholder.

(K) Closure of Credit Card

- Any request for closure of a credit card shall be honored within seven working days, subject to payment of all dues by the cardholder. Failure to complete the process of closure within seven working days shall result in a penalty of ₹500 per day of delay payable to the customer, till the closure of the account provided there is no outstanding in the account.
- If a credit card has not been used for a period of more than one year, the process to close the card shall be initiated after intimating the cardholder. If no reply is received from the cardholder within a period of 30 days, the card account shall be closed, subject to payment of all dues by the cardholder. The information regarding the closure of card account shall also accordingly be updated with the Credit Information Company/ies within a period of 30 days. Subsequent to closure of credit card account, any credit balance available in credit card accounts shall be transferred to the cardholder's Bank account.

Chapter-5: Credit Underwriting

The Bank shall strictly follow the below mentioned guidelines:

- All credit appraisal (physical or digital) would be subject to necessary due diligence for ensuring consistency in quality & adopting uniform credit standards. While issuing credit cards, credit risk & independent financial means of applicant should be assessed.
- Credit limit for a customer shall be assessed taking into consideration all the limits enjoyed by the cardholder from other entities on the basis of self-declaration/credit information obtained from a Credit Information Company, as appropriate.
- There shall transparency in the conversion of credit card transactions to Equated Monthly Instalments (EMIs) by clearly indicating the principal, interest and upfront discount (to make it no cost), prior to the conversion. The same shall also be separately indicated in the credit card bill/statement. EMI conversion with interest component shall not be camouflaged as zero-interest/no-cost EMI.
- Credit Information Reports (CIR) of the borrower from CIBIL or other agencies, shall be generated and examined that there is no adverse information about the borrower in the reports drawn.
- Bank shall study, analyze the financial position of the borrower, assess the need based requirement of credit facilities, and capability of the borrower to service the dues up to the Limit Sanctioned.
- Credit Card facility is extended by the Bank for genuine Day to day use. The Bank does not lend money for speculative purposes and / or for any unlawful activity.

Chapter-6: General Guidelines

This section covers all other general guidelines pertaining the usage and servicing of credit cards:

(A) Receivables from customers: Bank offers a free credit period (currently maximum 48 days) depending on the customer's billing cycle and product feature. The credit card customer may exercise the option to pay TAD (Total Amount Due) or MAD (Minimum Amount Due) on or before the payment due date indicated in the statement.

(B) Modes of Repayment: On receipt of the statement, the credit card customer can make the payment to IDBI Bank towards his dues by way of - Cheque payment, Demand Draft payment, Cash payment, Auto Debit payment, RTGS payment, NEFT payment, I-Net payment or any other medium which the Bank may devise from time to time.

(C) Death of Credit Card holder: In case death of credit card holder, notice shall be sent to all legal heirs for recovery of the outstanding and closure of the credit card account.

(D) Insurance: In case of an insurance cover provided with a card, the relevant nomination details are recorded by the Insurance Company and the availability of insurance is included, along with other information, in every statement. The information shall also include the details regarding the insurance cover, name/address and telephone number of the Insurance Company which will handle the claims relating to the insurance cover.

(E) Terms and conditions for issue of cards to customers

- A set of contractual terms and conditions shall make available to the cardholders in writing.

- MITC shall be highlighted and published/sent separately to the customers, at the acceptance stage (welcome kit) and in important subsequent communications.
 - The MITC shall be provided to the customer at the time of onboarding and each time, a condition is modified with notice to the customer.
 - The MITC and copy of the agreement signed between the card-issuer and cardholder shall be sent to the registered email address of the cardholder or postal address as per the choice of the customer.
 - Bank shall not levy any charge that was not explicitly indicated to the cardholder at the time of issue of the card and without getting his/her explicit consent. However, this shall not be applicable to charges like service taxes which may subsequently be levied by the Government or any other statutory authority. The details of all the charges associated with cards shall be displayed on the Bank website.
 - Bank shall provide the MITC to the cardholder and shall contain the following details along with other terms and conditions:
 - (a) Fees and Charges:
 - (b) Drawal Limits
 - (c) Billing/ Disclosure
 - (d) Default and Circumstances
 - (e) Termination/Revocation of Card Membership
 - (f) Loss/Theft/Misuse of Card
 - (g) Grievance Redressal and Compensation Framework
 - Bank shall include all types of charges in the MITC such as joining fees, Annual membership fees, Cash advance fee, Service charges, Interest free (grace) period, finance charges, overdue interest charges, charges in case of default, etc.
 - The convenience fee, if any charged on specific transactions, shall be indicated to the cardholder in a transparent manner, prior to the transaction.
 - The terms & condition may be altered by Bank after giving 30 days' prior notice to the cardholder to enable him/her to withdraw if he/she so chooses. After the
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notice period of 30 days, the cardholder would be deemed to have accepted the terms if he/she had not withdrawn during the specified period. The change in terms shall be notified to the cardholder through all the communication channels available.

(F) Tokenisation of Credit Cards: Tokenisation refers to replacement of actual card details with an alternate code called the “token”, which shall be unique for a combination of card, token requestor (i.e. the entity which accepts request from the customer for tokenisation of a card and passes it on to the card network to issue a corresponding token) and device.

(G) Redressal of Grievances: The name, direct contact number, email-id and postal address of the designated grievance redressal officer of the Bank shall be mentioned on the account statements. If a complainant does not get satisfactory response from the Bank within a maximum period of one month from the date of lodging the complaint, he/she will have the option to approach the Office of the concerned RBI Ombudsman for redressal of his/her grievance/s.

(H) Lost/stolen cards and non-receipt of issued cards: To protect the card holder’s interest and prevent the misuse of card which are lost/stolen, following measures are in place:

- For every transaction, customer receives an SMS on real time basis.
- For mitigating the risk arising out of wrong delivery of credit cards, a suitable clause in the agreement with courier agencies indemnifying the Bank against all such losses will be included. All credit cards being sent in inactive status.
- Comprehensive Insurance policy to cover misuse of credit card in the event of Lost / Stolen / Counterfeit cards to protect customer’s interest.

(I) On-line Transaction monitoring: Through real time monitoring tool, Bank can set out rules to take decisions either to accept or decline the customer transactions on real time basis.

(J) Delinquency: Credit Card customer is classified as delinquent when he fails to make the payment of minimum amount due by the due date.

(K) NPA: Credit card will be treated as non-performing asset (NPA) if the minimum amount due, is not paid fully within 90 days from the payment due date as mentioned in the statement.

(L) Right to Set-off: Where a customer has credit balance in one of his accounts (including accounts in other branches of the Bank) and has defaulted in the payment of IDBI Bank Credit Card, Bank has a right to adjust the credit balance with the credit card due and to arrive at the net sum due.

(M) Directions/ Policies: All the guidelines and directions on Know Your Customer (KYC) Norms/ Unique Customer Identification Code (UCIC) /Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation under the PMLA, 2002, Digital Payment Product & Services (DPPS), Outsourcing Policy issued by RBI/Bank from time to time, shall be strictly adhered to in respect of all cards issued, including co-branded cards.