

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3314
ANSWERED ON:12.05.2006
COMMITTEE FOR CREDIT CARD
Reddy Shri K. Jayasurya Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has constituted a Committee to suggest ways to promote and protect consumer interest in the matter of credit cards by banks;
- (b) if so, the details thereof;
- (c) whether the Committee had submitted its report to the Government;
- (d) if so, the details thereof and the action taken thereon; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) Pursuant to the announcement made in the Mid-term Review of the Annual Policy Statement 2004-05 in October, 2004, a Working Group was constituted in the Reserve Bank of India (RBI) to examine the regulatory and customer protection aspects of credit cards and suggest measures for card usage in a safe, secure and customer friendly manner. Based on the recommendations of the Working Group as also the feedback / suggestions on the report of the Group as well as on the draft guidelines received from, members of the public, credit card associations, consumer bodies and card issuing banks, RBI has issued guidelines on credit card operations to banks / NBFCs on 21st November, 2005, which are also available at RBI website www.rbi.org.in. These guidelines cover almost all issues concerning credit card operations like interest and other charges, wrongful billing, use of Direct Sales Agents (DSAs) / Direct Marketing Agents (DMAs), protection of consumer rights, redressal of grievances etc.