

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2104
ANSWERED ON:12.08.2011
CREDIT CARDS
Singh Shri Rakesh

Will the Minister of FINANCE be pleased to state:

- (a) the criteria followed in declaring a credit card holder / customer as defaulter, bank-wise;
- (b) whether the customers to whom various credit cards are provided by the banks with attractive offers are shown as defaulters if they don't use them;
- (c) if so, the details thereof and reasons therefor;
- (d) whether the Government proposes to take any steps to protect the interest of such customers; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c):- As per the Reserve Bank of India (RBI) guidelines on credit card operations of banks / NBFCs, before reporting default status of a credit card holder to the Credit Information Bureau of India Ltd. (CIBIL) or any other credit information Company authorized by RBI, banks/NBFCs are required to ensure that they adhere to a procedure, duly approved by their Board. The detail guidelines are available on RBI website www.rbi.org.in.

(d) and (e):- To regulate the credit card operations in the country, RBI has issued a Master Circular on Credit Card operations of banks on 1.7.2011 which, inter-alia, provides guiding principles on interest rates and other charges, wrongful billing, use of Direct Sales Agents (DSAs) / Direct Marketing Agents (DMAs) and other agents, protection of customer rights, redressal of grievances, internal control and monitoring systems and fraud control. During the course of Annual Financial Inspection of the banks / NBFCs, RBI also looks into implementation of its various guidelines by these entities. Further, under the Banking Ombudsman Scheme 2006, the Banking Ombudsmen are empowered to award compensation upto Rs. 1 lakh in case of complaints arising out of credit card operations, in addition to the actual pecuniary loss suffered by the customers.