

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1899
ANSWERED ON:17.07.2009
CREDIT CARD FRAUDS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the information regarding credit card is kept confidential by Private Sector Banks;
- (b) if not, the reasons therefor; and
- (c) the steps taken by the Government to stop credit cards frauds?

Answer

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

(a) & (b): Reserve Bank of India (RBI) has issued a Master Circular on credit card operations by banks whereby the card issuing bank / Non-banking Finance Company (NBFC) is required not to reveal any information relating to customers obtained at the time of opening the account or issuing the credit card to any other person or organisation without obtaining the specific consent of the customers as regards the purpose for which the information will be used and the organisation with whom the information will be shared. The card issuing banks / NBFCs are required to follow these guidelines scrupulously.

(c): RBI has been issuing instructions to the card issuing banks / NBFCs to take measures for prevention of credit card frauds. To further enhance the security of online card transactions, RBI has, vide its Circular dated 18.02.2009, advised the banks to put in place a system of providing additional authentication / validation based on information not visible on the cards for all online `card not present` transactions as also a system of `Online Alerts` to the cardholders for all `card not present` transactions of the value of Rs. 5,000 and above.

RBI has also placed the above Circulars in public domain on its website www.rbi.org.in.