

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3141

ANSWERED ON:07.08.2015

Complaints against Credit/Debit Cards

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has asked the banks to address the complaints pertaining to credit/debit cards more gracefully and if so, the details thereof;
- (b) whether the majority of complaints pertains to debit cards involving debiting of amount for not drawn or disbursed through ATM and if so, the details thereof;
- (c) whether the Reserve Bank of India (RBI) has conducted any study on usage of debit/credit cards and if so, the details thereof;
- (d) whether the Government has received any complaints against banks for selling their cards by making false lucrative offers and charging exorbitant fee;
- (e) if so, the details thereof during the last three years and the current year, bankwise including IndusInd Bank; and
- (f) the steps taken/being taken by the Government to laid down guidelines and to curb such lucrative offers by banks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b): The Government and the Reserve Bank of India have issued guidelines / instructions to banks to address all the public grievances/ complaints promptly and gracefully including those pertaining to credit/debit cards vide Department of Financial Services' D.O. letter No. 11/3/2015-BO.III dated 19.02.2015 and Reserve Bank of India Master Circular DBR No. FSD.BC.18/24.01.009/2015-16 dated 01.07.2015 on "Credit Card operations of banks and NBFCs and debit cards and Pre-paid Card Operations of Banks, which communicates as follows:

Generally, a time limit of 60 (sixty) days may be given to the customers for referring their complaints/grievances. The instructions on credit card issuing banks are applicable mutatis-mutandis to NBFCs issuing credit cards. The banks should publicize through their websites and other means, the interest rates charged to various categories of customers including the methodology of finance charges. The card issuers should ensure that there is no delay in dispatching bills and the customer has sufficient number of days for making payment before the interest starts getting charged. In the matter of recovery of dues, banks should ensure that they, as also their agents, adhere to the extant instructions on Fair Practice Code for lenders (as also BCSBI's Code of Bank's Commitment to Customers.

The majority of complaints relating to ATM/Debit cards pertain to ATM failed transactions where the customer's account has been debited and the cash has not been dispensed by the ATM machine. The customers lodge their complaints for these failed transactions and the issuing banks credit back the account of the customer within 7 working days as per guidelines, failure to re-credit the customer's account shall entail payment of compensation to the customer @Rs.100 per day. Bank-wise data on complaints about non / short dispensation of cash from ATM cards (2014-15) and complaints regarding ATM / Debit / Credit cards of the last three years are at Annex-I & Annex-II.

(c): No study has been conducted on usage of debit/credit cards.

(d) to (f): Banks are not selling cards by making false lucrative offers nor charging exorbitant fee for selling their cards.
