

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:606

ANSWERED ON:18.11.2016

Study on Credit/Cards

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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has conducted any study on credit cards;

(b) if so, the details thereof; and

(c) whether the Government has received any complaints against misuse of credit cards in the last three years and if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): Reserve Bank of India (RBI), based on public feedback on its concept paper on Card Acceptance Infrastructure, has planned a pilot with reduced Merchant Discount Rate (MDR) and setting up of an Acceptance Development Fund for planned deployment of acceptance devices across various geographic and merchant locations.

(c): The complaints pertaining to credit cards operations are mainly about issue of unsolicited cards, sale of unsolicited insurance policies and recovery of premium along with card charges, charging of annual fees in spite of being offered as "free" card, authorization of loans over phone, wrong billing, settlement offers conveyed telephonically, non-settlement of insurance claims after the demise of the card holder, exorbitant charges, inappropriate practices by recovery agents, wrong reporting of credit information by banks to Credit Information Companies etc.

The number of complaints about non-adherence to RBI instructions on credit cards by banks received in the offices of Banking Ombudsman is 7472 in 2014-15, 8740 in 2015-16 and 3035 in 2016-17 (up to 31.10.2016).
