

# Credit Card Policy for FY 2023-24



बैंक ऑफ महाराष्ट्र  
Bank of Maharashtra

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CREDIT CARD POLICY-2023-24

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**CREDIT CARD POLICY**  
**BANK OF MAHARASHTRA**

**1. Introduction**

The term "**Credit Card**" usually/generally refers to a plastic card assigned to a cardholder, usually with a credit limit, that can be used to purchase goods and services on credit or obtain cash advances without having balance in the account. The Credit Card is a Credit product in which a sanctioned limit is given to customer within which customer can do the transactions without any restrictions. Bill of credit card will be generated on monthly basis on a predefined date as approved by Bank.

Credit cards allow cardholders to pay for purchases made over a period of time, and to carry a balance from one billing cycle to the next. Credit card purchases normally become payable after an Interest Free Credit period, during which no interest or finance charge is imposed. Interest is charged on the unpaid balance after the payment is due. Cardholders may pay the entire amount due and save on the interest that would otherwise be charged. Alternatively, they have the option of paying any amount, as long as it is higher than the minimum amount due, and carrying forward the balance. Credit card can also be used for carrying out International transactions.

The credit card scheme involves following parties viz.

- a) **Card holder:** Person who is authorized to use the card.
- b) **Card Issuer:** Banks/ NBFCs/Financial Institutions which issue credit cards.
- c) **Merchants Entities:** Who agree to accept credit cards for payment of Goods & Services.
- d) **Merchant acquires:** Banks/NBFCs/ Financial Institutions which enter into agreements with merchants to process their credit card transactions
- e) **Credit Card Association.:** Group of Card issuing Banks or Organizations that set common transaction terms for merchants, issuers and acquirer. Some major associations are Visa, MasterCard, Rupay, American Express and Discover issues license card issuers to issue credit cards under their trade mark e.g. Visa, Rupay and Master Card and provide settlement services for their members (i.e. Card Issuers and Merchant Acquirers).

The Credit Card Cell of the Bank shall be responsible for implementing the credit card scheme in the Bank.

**2. Purpose**

To provide a basic framework based on rules/regulations/standards/practices as prescribed by RBI and other regulators for carrying out of credit card business and to ensure best customer practices. It is necessary to adopt adequate safeguards and implement the guidelines in this policy in order to ensure that the card operations are run on sound, prudent and customer friendly manner.

**3. Scope**

This policy is applicable to all the staff members of Bank, subsidiaries and any third party engaged by the Bank.



### 3.1 Issue of Credit Cards

Bank will undertake Credit Card business independently. At present, prior approval of RBI is not necessary if Credit card is issued either independently or in tie-up arrangement with other card issuing Banks. If Bank decides to issue credit cards through its subsidiary in future, then prior approval of Reserve Bank of India will be obtained by the Credit Card Cell.

Bank will ensure prudence while issuing Credit Cards and independently assess the credit risk while issuing cards to persons especially to students and others with no independent financial means.

Necessary approval of board along with approval of New Product Committee for launching specific credit card will be taken by the Credit Card Cell.

#### a) Customer Acquisition:

- i. Bank should provide a one-page Key Fact Statement along with the credit card application containing the important aspects of the card such as rate of interest, quantum of charges, among others. In case of rejection of a credit card application, bank will convey in writing the specific reason/s which led to the rejection of the application.
- ii. The MITC shall be published/sent separately to the customers, at the acceptance stage (welcome kit) and in important subsequent communications. The MITC shall be provided to the customer at the time of on boarding and each time, a condition is modified with notice to the customer. The MITC and copy of the agreement signed between the Bank and cardholder shall be sent to the registered email address of the cardholder or postal address as per the choice of the customer.
- iii. Bank may consider introducing, at the option of the customers, an insurance cover to take care of the liabilities arising out of lost cards, card frauds, etc. In cases where the Bank is offering any insurance cover to their cardholders, in tie-up with insurance companies, the Bank shall obtain explicit consent in writing or in digital mode from the cardholders along with the details of nominee/s.
- iv. The issue of unsolicited cards/upgradation is strictly prohibited. In case, an unsolicited card is issued/existing card upgraded and activated without the explicit consent of the recipient and the latter is billed for the same, the Bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed. In addition, the person in whose name the card is issued can also approach the RBI Ombudsman who would determine the amount of compensation payable by the Bank to the recipient of the unsolicited card as per the provisions of the Ombudsman Scheme, i.e., for loss of complainant's time, expenses incurred, harassment and mental anguish suffered by him/her.



v. There have been instances where unsolicited/applied-for cards have been misused before reaching the persons in whose names these have





been issued. It is emphasised that any loss arising out of misuse of such unsolicited cards shall be the responsibility of the Bank only and the person in whose name the card has been issued shall not be held responsible for the same.

- vi. Bank shall seek One Time Password (OTP) based consent from the cardholder for activating a credit card, if the same has not been activated by the customer for more than 30 days from the date of issuance. If no consent is received for activating the card, Bank shall close the credit card account without any cost to the customer within seven working days from date of seeking confirmation from the customer. In case of a renewed or replaced card, the closure of an inactivated card shall be subject to payment of all dues by the cardholder.
- vii. Bank shall not report any credit information relating to a new credit card account to Credit Information Companies prior to activation of the card. Any credit information relating to such inactivated credit cards already reported to Credit Information Companies shall be withdrawn immediately.
- viii. The written consent of the applicant shall be required before issuing a credit card. Alternatively, Bank may use other digital modes with multifactor authentication to obtain explicit customer consent. Such alternative digital modes, if any used by the Bank, shall be communicated to the Department of Regulation, Reserve Bank of India.
- ix. Bank should ensure that the telemarketers engaged should comply with directions/regulations on the subject issued by the Telecom Regulatory Authority of India (TRAI) from time to time while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)". The Bank's representatives shall contact the customers only between 10:00 hrs and 19:00 hrs.
- x. The decision-making power for issue of credit card to a customer shall remain only with the Bank and the role of the Direct Sales Agent (DSA)/Direct Marketing Agent (DMA)/other agents shall remain limited to soliciting/servicing the customer/ account.

**b) Underwriting standards:**

- i. Bank shall ensure prudence while issuing credit cards and independently assess the credit risk while issuing cards to persons, taking into account independent financial means of applicants.
- ii. As holding several credit cards enhances the total credit available to any consumer, Bank shall assess the credit limit for a credit card customer taking into consideration all the limits enjoyed by the cardholder from other entities on the basis of self-declaration or credit information obtained from a Credit Information Company.
- iii. Bank shall ensure complete transparency in the conversion of credit card transactions to Equated Monthly Instalments (EMIs) by clearly indicating the principal, interest and upfront discount provided by the



merchant/Bank (to make it no cost), prior to the conversion. The same shall also be separately indicated in the credit card bill/statement. EMI conversion with interest component shall not be camouflaged as zero-interest/no-cost EMI.

- iv. Bank shall ensure that loans offered through credit cards are in compliance with the instructions as per loan policy of bank as amended from time to time.
- v. Bank shall ensure that the credit limit as sanctioned and advised to the cardholder is not breached at any point in time without seeking explicit consent from the cardholder.

### 3.2. Types of credit cards

With prior approval of Board, Bank may issue following types of credit cards as under:

- a) **Primary Credit Card:** The Cards issued to a customer after assessing the credit risk of the customer. These Credit Cards are called Primary Credit Cards and the Card holder is called Primary Card Holder.
- b) **Add-on Credit Cards:** Add on cards are subsidiary to the primary card, may be issued with the clear understanding that the liability will be that of the primary cardholder. Credit limit for add-on card may be same as the primary card or sub-limit of primary card. All the add-on cards will be linked to one primary card.
- c) **Corporate Credit Card:** While issuing corporate credit cards, the responsibilities and liabilities of the corporate and its employees should be clearly specified. The liability of the corporate/business entity on account of business cards shall form part of their total assessed credits for compliance to instructions issued by the Bank on Exposure Norms as well as Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.
- d) **Co-branded Credit Card:** Bank will issue Co-Branded Credit Cards with other Banking or non-Bank entities. However, role of the Banking or non-Bank entity under the tie-up arrangement should be limited to marketing/ distribution of the cards or providing access to the cardholder for the goods/services that are offered. While issuing Co-Branded Credit Cards, Bank will undertake due diligence of the Banking or non-Bank entity to protect itself from any reputational risk.
- e) **Virtual Credit Card (VCC):** A Virtual Card creates an extra layer of security for making a credit card payment. A Virtual card is a randomly generated 16 digit number associated with actual credit card account. The Virtual Credit Card is offered as a way to protect against the fraud at "card not present" transactions. Once a purchase with virtual credit card is done the number is retired and never used again. This prevents fraudster from stealing actual credit card number. Virtual Cards will be governed by the existing guideline for Physical Credit Cards.



The due diligence of Banking or non-Bank entity will generally include KYC, management and financial due diligence besides taking into account necessary permissions, reputation of the entity in the market, pendency of any tax related or legal case against the company, information on customer handling, management resolution for entering into tie up business etc. The customers of non-Bank entities must open regular saving Bank account with Bank before making application for credit card.

The NBFC entering into tie-up should ensure confidentiality of the customer's accounts. The co-branding NBFC should not reveal any information relating to customers obtained at the time of opening the account and should not be permitted to access any details of customer accounts that may violate Bank's secrecy obligations.

These entities must comply with the points mentioned under Customer Confidentiality and Privacy section.

Role of the co-branding partner will be decided at the time of agreement with bank. It can be referral only / they may undertake part / full risk accordingly the role and responsibility of co-branded partner will be decided.

Customer complaints arising out of deficiency in the credit card service by co-branding partner shall be the responsibility of the bank. The credit card grievances will be handled by bank as per banks existing customer grievance policy.

### **3.3 Closure of Credit Card**

- a) Any request for closure of a credit card shall be honoured within seven working days by the Bank, subject to payment of all dues by the cardholder. Subsequent to the closure of credit card, the cardholder shall be immediately notified about the closure through email, SMS, etc. Cardholders shall be provided option to submit request for closure of credit card account through multiple channels such as helpline, dedicated e-mail-id, Interactive Voice Response (IVR), prominently visible link on the website, internet banking, mobile-app or any other mode. Bank shall not insist on sending a closure request through post or any other means which may result in the delay of receipt of the request. Failure on the part of the Bank to complete the process of closure within seven working days shall result in a penalty of ₹500 per day of delay payable to the customer, till the closure of the account provided there is no outstanding in the account.
- b) If a credit card has not been used for a period of more than one year, the process to close the card shall be initiated after intimating the cardholder. If no reply is received from the cardholder within a period of 30 days, the card account shall be closed by the Bank, subject to payment of all dues by the cardholder. The information regarding the closure of card account shall also accordingly be updated with the Credit Information Company/ies within a period of 30 days.
- c) Subsequent to closure of credit card account, any credit balance available in credit card accounts shall be transferred to the cardholder's bank account. Bank shall obtain the details of the cardholder's bank account, if the same is not available with them.





### 3.4 Basic Feature of BoM Credit Card

- i. Bank can issue Card in tie up with VISA, MasterCard and RuPay Associations.
- ii. Bank can give Reward points on activation of credit card, transactions made on card, as decided by Bank from time to time after taking necessary approval from competent authority
- iii. Bank can extend Flexi Pay / EMI facility on certain transactions as per criteria decided by Bank.
- iv. Bank can extend Balance Transfer Facility from other Bank Credit Card under Equated Monthly Instalment (EMI) scheme with repayment period of 6 months.
- v. Bank can tie-up with third party to run loyalty programme for increasing transaction.
- vi. Bank can make tie up arrangement with various merchants for offering EMI at source and other discount card offers.
- vii. Bank will be providing various options to customers for paying credit card dues e.g. auto debit facility, payment through other bank debit cards / internet banking, UPI, account & IFSC code etc.
- viii. Bank may issue Virtual Credit cards with in the frame work defined by RBI.

### 3.5 Limit for Credit Card

#### a. For existing account Holders:

Limit to be decided based on the score obtained as per Scoring Model for assessment of credit risk of applicants. There will be two separate scoring model for different class of customers i.e. Salaried & Businessman / self-employed.

For Salaried customers the credit card limit shall be sanctioned at Branch / CPC / ZM / HO level and for Businessmen / self-employed the credit card limit shall be sanctioned at CPC / ZM / HO level. The powers of various authorities to sanction the credit limits as per circular of delegated powers of lending is as under:

(Amt. in Rs. Lakh)

Sr. No.	CAC – 2	CAC- 3	ZLCC of ZM	BH Scale - 5 & 6 / CPC	BH Scale - 4	BH Scale - 3	BH Scale - 2	BH Scale - 1
1	Full Powers	10.00	5.00	2.50	2.00	1.50	1.00	0.50

Similarly Pre-approved card to CA/SA accounts may be given on the basis of average balance of account in last 4 quarters. Minimum seasoning of CASA account should be 12 months.

#### b. For non-customers:

Non-customers is also referred as "New To Bank" customers i.e. the customers who do not have Banking relation with us. As of now bank is not issuing credit cards for non-customers. However, in future bank may issue credit cards to non-customers also. In this category as bank is not having any existing customer relationship. So bank has to identify these customers, complete the due diligence including KYC, risk assessment etc. This will be additional activity over and above the same given in above point. The detail SOP will be issued prior to launch of credit card for non-customers



Based on risk assessment of customer, the credit limit will be decided based on score obtained as per Scoring Model defined by Bank. There will be two separate scoring model for different class of customers i.e. Salaried & Businessman/self-employed. However, maximum credit limit as per scoring model shall be sanctioned as per the circular of delegated powers of lending.

**c. For bank's existing valuable loan customers**

Bank will be offering credit card to its existing valuable loan account customers, who are already availed loan facility with bank and is having good track record of payment. The credit risk has already been accessed by the bank and required documents are already collected. Bank will be issuing credit card to such customers without collecting documents again only by getting consent in writing or digitally. This will help bank in cross selling more products and enhancing the banking relationship without increasing much credit risk. The credit card limit to be sanctioned to the customers shall be based on the Scoring Model and additional weightage for existing valuable loan customers. The sanctioning authority for the credit card limit shall be as per the circular of delegated powers of lending.

The noting of all the credit card sanctions will be put up to next higher authority. The Credit Cards sanctioned by Branches and CPC of respective zones will be noted by Zonal Level Credit Committee (ZLCC). The Credit Cards sanctioned by General Manager handling the Credit Card Cell will be noted by CAC of General Managers. The limit sanctioned by CAC of General manager will be put up to CAC of ED.

Post increase of limit by respective authorities, has to be informed to Credit Card cell for updating the same in Credit Card System.

**d. Corporate clients:**

Bank may issue BoM Credit Cards to their corporate clients as part of working limit sanctioned to them as part of MPBF. In this case, bank will sanction over credit card limit to the corporate client. The corporate client will be providing the list of authorised signatories to whom the corporate credit card needs to be given along with credit card limit as required by them. The overall capping of corporate limit will be defined as per sanction to the corporate. It means as part of policy there is no upper limit.

**e. Secured Credit Cards:**

Students and other persons with no independent financial means and eligible to enter into contract will be issued Credit Card on secured basis i.e. against deposit with Bank. Maximum limit for secured Credit Card will be 80% of the deposit. Lien shall be created on the security for such credit cards by credit card cell, HO. FDR to be preserved & stored at branch along with the application and KYC details. The Fixed deposit receipt to be duly discharged and declaration to break the FDR on default to be taken as per existing LAD document guidelines. In case of default by the credit card holder, Bank has the right to liquidate the security to recover the dues when the outstanding balance of card is more than 90% of security value or in case of default whichever is earlier. Credit card holder should be made aware of this and acknowledgment of the same should be obtained. The detailed information about the card is added in Annexure II.



**Limit for Staff Credit Card is as under;**

S.No.	Employee Category	Limit in Rs. Lakhs
1.	Executives GM & Above	6.00
2.	Executive Scale IV to VI	5.00
3.	Officers in Scale I, II, & III	2.00
4.	Clerks	1.25
5.	Confirmed Sub staffs	0.50

The higher limit to staff can be issued on case to case basis as per process approved for customers.

Limit for Ex-employee of Bank will be defined as per the scoring model for normal customers.

Deviation in the credit card policy for any customer because of eligibility criteria can be approved from Deputy General Manager / General Manager handling the department.

### **3.6 Application Processing**

Branches will be canvassing the credit Card Business as per eligibility criteria as laid down by Bank. Branches will be collecting the Application form of Credit Card, verifying of KYC norms and carrying on the due diligence by themselves and additionally through external due diligence agencies additionally if required.

The CIBIL report of the applicant should be referred for CIBIL score, status of other credit cards which customer is holding and payment of various loans done by customer. The sourced application to be checked for eligibility as per eligibility criteria.

Applications received through branches needs to be punched in the ULC under BOM Credit Card Application portal through maker. Maker can be any officer or clerk other than branch Manager. The application punched by the maker will be forwarded to Checker i.e. Branch Manager of that branch for approving the limit. On successful authorization by the branch, credit card cell will be downloading the application data and uploading at vendor site for card issuance. On successful uploading a log file will be generated, which needs to be re-uploaded in ULC Application portal through which the status will be updated for the punched records.

The application received at branches is to be preserved at branch itself and should be made available as & when required by auditors / ZO / HO etc.

The applications rejected through portal must be conveyed in writing to the applicants with reasons.

Most Important Terms and Conditions (MITC) should be mentioned in application form acceptance of applicant is necessary before conveying sanction. These MITC should be advertised and sent to the prospective customers at all steps and in subsequent communications. The font size of MITC shall be minimum Arial-12.

Most Important Terms and Conditions is given in **Annexure 1**.

The customer will be able to apply for credit card digitally via Internet Banking, Mobile Banking, and Bank's Website like other retail loans.



### **3.7 Timeline for Issuance of Credit Card:**

The total turnaround time involved in issuance of Credit Card till physical delivery is 2 weeks subject to completion of all documents and adherence of Bank's guidelines.

### **3.8 Upgradation / Limit Enhancement of Credit Cards:**

We propose the up-gradation of cards depending on card-usage/spends, profile of customers & other parameters, after taking due consent from customers, physically or electronically.

Bank will approach eligible customers for enhancement of their Credit Card Limit by 25% who are paying their Credit Card dues timely and regularly during the past 12 month period.

The customers falling under pre-approved category (housing loan borrowers, salaried customers, Term deposit holders, staff/ex-staff members etc.) will also be approached for issuance of Credit Card on the basis of existing data base of the Bank.

### **3.9 Benefits and Offers:**

We propose to grant 1000 reward points (value 0.25 paisa per reward) per customer per year in order to retain the customers. Also, e-vouchers amounting to Rs. 250/- may be granted to per customer per year.

### **3.10 Tokenization of Credit Cards:**

Tokenization refers to replacement of actual card details with an alternate code called the "token", which shall be unique for a combination of card, token requestor (i.e. the entity which accepts request from the customer for tokenization of a card and passes it on to the card network to issue a corresponding token) and device.

## **4. Insurance Coverage (Life, Accident or Health)**

In cases where Bank decides to offer insurance coverage to the Credit Card customers, in tie-up with insurance companies, branches will obtain in writing details of nominees or self-declaratory letter in case customer does not wish to nominate anyone and send the same to Credit Card Cell. Credit Card Cell will ensure that nomination details are recorded by the insurance company. Branches will issue letter to the credit card holder indicating the details regarding the name, address and telephone number of the Insurance Company which will handle the claim along with nomination details.

Bank may offer insurance of card transactions to indemnify loss occurred to the customer due to fraud, hacking, cloning of card etc. Maximum insured amount shall be limit allowed on card. Premium of the insurance shall be charged to the card after getting written confirmation from respective card holder.

## **5. Eligibility Criteria for Credit Card:**

The eligibility for credit card can be decided based on following parameters as under:

- i) Income Criteria (Salaried / Self Employed / Businessman etc.)
- ii) Age Criteria as decided by Bank from time to time. Minimum entry age is 18 years and maximum entry age is 65 for all types of card except in case of Secured Credit Card where there is no restriction on maximum entry age.





- iii) Minimum CIBIL score of individual for credit card eligibility should be 750. For customers having no credit history/new to credit having CIBIL score 1 or -1 are also eligible.
- iv) Credit Card can be issued Resident Indian and NRIs.
- v) Relaxation in maximum age upto 75 years for regular credit cards and/or CIBIL score between 700 to 750 based on existing relationship and account operation is allowed under the sanctioning power of Zonal Manager.

## 6. Compliance with KYC/AML/CFT /Obligation of Banks under PMLA, 2002

The instructions/guidelines contained in KYC/AML/CFT Policy of Bank dated 23.05.2023 or thereafter should be adhered to in respect of all cards issued. Bank will ensure KYC compliant of any agent, if engaged by the Bank, before engagement.

## 7. Interest rates and other charges

While determining interest rate on credit card dues, Bank shall consider it in the nature of non-priority sector personal loans.

### 7.1. Interest Rate / Finance Charges:

In case the Bank charges interest rates which vary based on the payment/default history of the cardholder, there will be transparency in levying of such differential interest rates.

Bank will upfront indicate to the credit card holder, the methodology of calculation of finance charges with illustrative examples, particularly in situations where a part of the amount outstanding is only paid by the customer. Financial charges like application fee, annual maintenance fee, processing fee etc. (other than interest charges on the outstanding balance beyond due date which shall be approved by ALCO) will be calculated by retail department. All the credit card charges will be got approved from board and will be made as part of existing service charges booklet.

### 7.2. Billing of Credit Card dues:

Credit Card Cell will ensure that there is no delay in dispatching bills and the customer has sufficient number of days (at least one fortnight) for making payment before the interest starts getting charged. In order to obviate frequent complaints of delayed billing, the Credit Card Cell will provide bills and statements of accounts online, with suitable security measures like password protected. Credit Card Cell will also ensure that the customer's acknowledgement is obtained for receipt of the monthly statement.

### 7.3. Flexi pay Facility / EMI Facility on Transactions:

Bank shall provide facility of flexi pay to card holders for making payment above a certain amount of transaction by levying certain processing fee which should be fixed based on cost benefit analysis in consultation with / by retail department and approved by New Product Committee. The customer will be given a minimum number of days within which the customer may apply for this facility. Customers may choose to repay within the block of 3 months i.e. 3/6/9/12/18/24 months. This facility can be availed before/after the transaction is billed on billing date. Transaction done on jewellery/gold purchase will not be allowed for conversion into EMI.





#### 7.4. Cash Advance Facility:

Cash advance facility (Withdrawal of Cash through ATM/POS) will be available maximum up to 20% of the total credit limit. There will be no Interest Free Credit period. Also Bank will charge transaction fees (Cash Advance Fees) on each Cash Withdrawal transaction.

Bank will quote **Annualized Percentage Rates (APR)** on card products (separately for retail purchase and for cash advance, if different). The method of calculation of APR should be given with a couple of examples for better comprehension. The APR charged and the annual fee should be shown with equal prominence. The late payment charges, including the method of calculation of such charges and the number of days, should be prominently indicated. The manner in which the outstanding unpaid amount will be included for calculation of interest should also be specifically shown with prominence in all monthly statements. Even where the minimum amount indicated to keep the card valid has been paid, it should be indicated in bold letters that the interest will be charged on the amount due after the due date of payment. These aspects should be shown in the Welcome Kit in addition to being shown in the monthly statement. A legend/notice to the effect that **"Making only the minimum payment every month would result in the repayment stretching over years with consequent interest payment on your outstanding balance"** should be prominently displayed in all the monthly statements so as to caution the customers about the pitfalls in paying only the minimum amount due. The terms and conditions for payment of credit card dues, including the minimum amount due, shall be stipulated so as to ensure there is no negative amortization. An illustration is included in the Annexure I. The unpaid charges/levies/taxes shall not be capitalized for charging/compounding of interest.

#### 7.5. Most Important Terms and Conditions :

Bank should explain the conversion of outstanding balance and grace period or Interest Free Credit period to the customers. Suitable examples regarding these should be included in the Welcome Kit and on the Bank's website. This should also include terms and conditions for payment of credit card dues, including the minimum payment due. Bank should take efforts on educating the Card Holders about the implications of paying only "The Minimum Amount Due". The MITC should specifically explain that the Interest Free Credit period is lost if any balance of the previous month's bill is outstanding. For this purpose, Bank can work out illustrative examples and include the same in Welcome KIT send to the card holder and place it in on the website.

7.6. All the rates of interest for credit card as mentioned above shall be decided by the ALCO as mentioned in the ALM policy. Ceiling for maximum ROI on Credit Card dues shall also be decide by ALCO. ROI note shall be put by Credit Card Cell & place before ALCO for approval through IRM Department.

7.7. **Income Recognition Asset Classification:** The past due status of a credit card account for the purpose of asset classification would be reckoned from the payment due date mentioned in the monthly credit card statement. A credit card account should be treated as non-performing asset if the minimum amount due, as mentioned in statement, is not paid fully within 90 days from the next statement date. The gap between the two statements should not be more than a month. Bank will follow this uniform method of determining over-due



for credit card accounts while reporting to credit information companies and for the purpose of levying of penal charges i.e. late payment charges, if any.

Upon classification of a credit card account as NPA, to recover the default amount, lien is marked in the related account of the cardholder and to recover the dues the Bank will exercise the right of set-off.

The NPA credit cards where the recovery is not affected despite all-out efforts, the Bank may hand over such cases to recovery Agents/Agencies for recovery of dues.

- 7.8. Any charge that was not explicitly indicated to the credit card holder at the time of issue of the card and without getting his/her consent should not be levied. However, this would not be applicable to charges like GST, etc. which may subsequently be levied by the Government or any other statutory authority.
- 7.9. Changes in charges (other than interest) shall be made only with prospective effect giving notice of at least one month. If a credit card holder desires to surrender his/ her credit card on account of any change in credit card charges to his/ her disadvantage, he/ she should be permitted to do so without levying any extra charge for such closure. Any request for closure of a credit card has to be honoured immediately, subject to full settlement of dues by the cardholder. If Bank decides to issue credit card free of charges for the first year, there will be transparency i.e. without any hidden charges.

7.10 Annual charges are waived.

## 8. Wrongful billing

- i. Credit Card Cell shall ensure that wrong bills are not raised and issued to customers. In case, a customer protests any bill, credit card cell should provide explanation and, if necessary, documentary evidence may also be provided to the customer within a maximum period of 30 days from the date of complaint with a spirit to amicably redress the grievances.
- ii. No charges shall be levied on transactions disputed as 'fraud' by the cardholder until the dispute is resolved.
- iii. Bank, in order to provide flexibility wrt to billing date, cardholders shall be provided a one-time option to modify the billing cycle of the credit card as per their convenience.
- iv. Any credit amount arising out of refund/failed/reversed transactions or similar transactions before the due date of payment for which payment has not been made by the cardholder, shall be immediately adjusted against the 'payment due' and notified to the cardholder.
- v. Bank shall seek explicit consent of the cardholder to adjust credit amount beyond a cut-off, one percent of the credit limit or ₹5000, whichever is lower, arising out of refund/failed/reversed transactions or similar transactions against the credit limit for which payment has already been made by the cardholder. The consent shall be obtained through e-mail or SMS within seven days of the credit transaction. Bank shall reverse the credit transaction to the cardholder's bank account, if no consent/response is received from the cardholder.



Notwithstanding the cut-off, if a cardholder makes a request to the Bank for reversal of the credit amount outstanding in the card account into his/her bank account, the Bank shall do it within three working days from the receipt of such request.

- vi. Incorrect interest/charges/penalty/other entries if any wrongly debited to the customer's credit card account shall be reversed with the approval of CM/AGM, Credit Card Cell.

**9. Use of Direct Sales Agent (DSAs)/Direct Marketing Agents (DMAs) and other Agents**

- i. Whenever Bank wishes to outsource any credit card operations, it has to be extremely careful that the appointment of service providers does not compromise with the quality of customer service and Bank's ability to manage credit, liquidity and operation risks. Bank should be guided by the Outsourcing Policy of the Bank and guidelines of RBI issued from time to time / BCSBI's code of conduct as applicable to DSAs and a note regarding this should be approved from the Board before taking the activity.
- ii. Bank and any of its third party agent engaged in debt collection process should refrain from actions that could damage the integrity and reputation of the Bank. Strict customer confidentiality should be observed.
- iii. All communications issued by recovery agents must contain the name, email-id, telephone number and address of the concerned senior officer of the Bank whom the customer can contact. Further, Bank shall provide the name and contact details of the recovery agent to the cardholder immediately upon assigning the agent to the cardholder.
- iv. Bank or its agents shall not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the credit cardholders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.
- v. Bank shall ensure to comply with the extant guidelines in respect of engagement of recovery agents as per recovery policy of Bank, as amended from time to time.
- vi. The disclosure of customers' information to the DSAs/DMAs/recovery agents shall also be limited to the extent that will enable them to discharge their duties. Personal information provided by the cardholder but not required for recovery purposes shall not be released by the Bank. Bank shall ensure that the DSAs/DMAs/recovery agents do not transfer or misuse any customer information during marketing of credit card products.
- vii. Bank shall have a system of random checks to ensure that their agents have been properly briefed and trained as to how to handle customers and are also aware of their responsibilities, particularly with regard to soliciting customers, hours for calling, privacy of customer information, conveying the correct terms and conditions of the product on offer.



- viii. Bank shall ensure that their employees/agents do not indulge in mis-selling of credit cards by providing incomplete or incorrect information to the customers, prior to the issuance of a credit card. Bank shall also be liable for the acts of their agents. Repetitive complaints received in this regard against any employee/agent shall be taken on record by the Bank and appropriate action shall be initiated against them including blacklisting of such agents. A dedicated helpline and email-id shall be available for the cardholders to raise complaints against any act of mis-selling or harassment by the representative of the Bank.
- ix. Bank shall ensure adherence to the guidelines on "Managing Risks and Code of Conduct in Outsourcing of Financial Services" as amended from time to time.

Bank will follow the guidelines mentioned below to ensure adherence to **fair practices in debt collection Annexure II.**

### **10. Collection of Dues**

- a. Repayment process by way of amount, tenure and periodicity of repayment will be explained to the card holder in advance and acknowledgement for the same will be taken from the customer. However, if the card holder does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues which will be given to the card holder at the time of sanction of credit limit.
- b. The process will involve reminding the card holder by sending notice (SMS / Email etc) or by making personal visits.
- c. In case of default, Bank may refer the case to the recovery agent. Bank will inform the card holder that recovery proceedings have been initiated.
- d. On initiating recovery proceedings Bank will also tell the card holder that in case the card holder is having a complaint to make in this regard he/she may contact Bank's helpline number.
- e. Bank will investigate the complaints about unfair practices by recovery agents. In the event of receipt of any complaint from the card holder that the Bank's representative / recovery agent has engaged in any improper conduct or acted in violation of the Code, Bank will investigate the matter and communicate the findings to the card holder within 30 working days from the date of receipt of complaint and wherever justified, compensate the card holder for losses, if any.

### **11. Policy on Collection of Dues**

- a. Bank's collection practice should be built on courtesy, fair treatment and persuasion. Bank will foster customer confidence and long- term relationship. As part of Bank's collection practice -
  - Bank will provide the card holder with all the information regarding dues and will endeavour to give sufficient notice for payment of dues.
  - Bank will write to the card holder when we initiate recovery proceedings against him/her.
  - Bank will post details of the recovery agency firms / companies engaged by it on its website.
  - Bank will also make available, on request, details of the recovery agency firms/companies at the branches.
  - Staff or any person authorized to represent Bank in collection of dues will identify himself/ herself and display the authority letter issued by the Bank and upon request display to the card holder his/ her identity card issued by the Bank.





- Bank will have a system of checks before passing on a default case to collection agencies so that the card holder is not harassed on account of lapses on Bank's part.
- b. All the staff members or any person authorised to represent the Bank in collection would be subjected to due diligence and they would follow the guidelines set out below.
- Card holder would be contacted ordinarily at the place of business / occupation and if unavailable at the place of business/ occupation at the place of card holder's residence or in the absence of any specified place at the place of card holder's authorised representative's choice.
  - Identity and authority to represent would be made known to the card holder at the first instance.
  - Card holder's privacy and dignity would be respected.
  - Interaction with the card holder would be in a civil manner.
  - Normally Bank's representatives will contact card holders between 0700 hrs and 1900 hrs, unless the special circumstances of card holder's business or occupation require otherwise.
  - Card holder's requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.
  - Time and number of calls and contents of conversation would be documented.
  - All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
  - During visits to card holder's place for dues collection, decency and decorum would be maintained.
  - Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues.

Part of this Policy (as per regulatory guidelines) will be displayed on the Bank's website and made available on request.

## **12. Code of Conduct:**

Bank and/or any DSA engaged in marketing of Bank's product should strictly adhere to the code of conducts as under.

- a. Bank will make sure that all our advertising and promotional material is clear and not misleading
- b. In any advertisement and promotional literature that draws attention to Bank's service or product or includes a reference to an interest rate, Bank shall also indicate whether other fees and charges will apply and full details of the relevant terms and conditions will be made available on request.
- c. If Bank avails the services of third parties for providing support services, it will ensure that the third parties handle card holder's personal information (if available to such third parties) with the same degree of confidentiality and security as Bank would.
- d. Bank may, from time to time, communicate to the card holder various features of its products availed by the card holder by e-mail, SMS or over the telephone. Information about other products or promotional offers in respect of our products / services will be conveyed to the card holder only if they have not registered for the 'Do Not Call' facility. As regards the information shared through e-mail, card holders have the option to unsubscribe from such future communications.





- e. The prescribed code of conduct for Direct Selling Agencies (DSAs) whose services Bank may avail to market its products / services which, amongst other matters, requires them to identify themselves as only selling agents of Bank when they approach card holders for selling our products personally or through phone. Bank shall ensure that any third party or agent acting on our behalf or selling our product complies with the code of conduct.
- f. In the event of receipt of any complaint from the card holder that Bank's representative / courier or DSA has engaged in any improper conduct or acted in violation of this Code, Bank shall take appropriate steps to investigate and to handle the complaint and to make good the loss as per the compensation policy of the Bank.
- g. Bank shall ensure that any third party or agent acting on its behalf or selling its product discloses the fee or commission they are paid upon completion of the sale.
- h. Bank shall ensure that its advertisements will also include all relevant messages which require to be conveyed for enhancing awareness against unscrupulous / fictitious offers.
- i. Bank shall run reward programme on Credit Card transactions for encouraging customers to enhance Credit Card usage through various promotional offers. These programmes can be run by engaging third party Loyalty Reward Companies within the adhered guideline and code of conduct by Bank.
- j. The end-to-end activities in respect of Bank's credit card issuance have been outsourced through Request for Proposal (RFP) process for handling various Credit Card Operations and software solutions for Credit Card Business. The service provider is selected for a period of five years after calling RFPs. The service provider and its sub-service providers are PCI DSS (Payment Card Industry –Data Security System) certified. A separate Confidentiality and Secrecy Certificate has been signed with the service provider. Besides above, Bank is also availing services of other service providers/vendors for allied Credit Card business activities like Reward Points Management and Electronic Payment & Collection services etc.

While outsourcing the various services, it is ensured that it does not compromise confidentiality of the customer's records, respects customer privacy and adheres to fair practices and regulatory guidelines for Credit card industry are adopted. PCI- DSS, PCI-SSF, PCI-PSPE , PCI-PIN certificate etc , wherever applicable, are obtained & kept on record. The outsourced services shall be guided by Bank's Outsourcing Policy and Data Protection Policy.

Along with the above codes, while engaging third parties, Bank shall take into account all relevant laws, regulations, guidelines and conditions of approval, licensing or registration. Bank shall also ensure that the third parties are properly trained to handle their responsibilities with care and sensitivity particularly in the aspects like soliciting customers, hours for calling, privacy of customer information, conveying the correct terms and conditions of the product on offer, etc. It will also ensure that they do not exceed their brief. Bank will carry out random checking and mystery shopping to ensure these.

Appointment of third parties should be approved by the Board. Agreement with third party providers should take care of the various activities/responsibilities discussed in above paragraphs



Banks shall engage only those telemarketers registered with Telecom Regulatory Authority of India (TRAI) and who comply with directions/regulations on the subject issued by the TRAI from time to time while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)". Bank should periodically check that the engaged telemarketers are not blacklisted by TRAI.

### **13. Fair Practices Code for Self- Regulation of Credit Card business**

The Fair Practices Code incorporates various guidelines on Credit Card issued by RBI from time to time. It also incorporates the principles enunciated in the "Code of Bank's Commitment to Customers" (Code) of The Banking Codes and Standards Board of India (BCSBI). It is the responsibility of the Credit Card Cell to make these codes available on the website and make changes whenever necessary.

### **14. Issue of unsolicited cards/facilities**

Credit Card Cell shall be responsible that unsolicited cards are not to be issued. In case, an unsolicited card is issued and activated without the written consent of the recipient and the latter is billed for the same, the Bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed. Bank will also have to bear any penalty levied by Banking Ombudsman in case the recipient complains about loss of time, expenses incurred, harassment and mental anguish suffered by him.

Any loss arising out of misuse of such unsolicited cards will be the responsibility of the Bank only and the person in whose name the card has been issued cannot be held responsible for the same.

In case of any enhancement in limit, prior consent of the card holder should be obtained as also consent to any changes in terms and conditions. In case of reduction in the credit limit, the Bank shall intimate the same to the cardholder.

### **15. Customer Confidentiality and Privacy**

Bank will treat all personal information of the card holders as private and confidential (even when they are no longer Bank's customer), and shall be guided by the following principles and policies.

15.1. Bank shall not reveal information or data relating to card holder's accounts, whether provided by the card holder or otherwise, to anyone, including other companies /entities in the group, other than in the following exceptional cases.

15.1.1. Providing information to the Credit Information Companies (CICs) as per Credit Information Companies (Regulation) Act (CICA) about the loans, unsecured loans, credit card, etc.

15.1.2. Giving the information required by law or by the Banking regulator.



15.1.3. Fulfilling a duty towards the public to reveal the information.

15.1.4. Bank's interests require it to give the information (for example, to prevent fraud) but Bank shall not use this as a reason for giving information about the card holders or their accounts (including name and address) to anyone else, including other companies in the group, for marketing purposes.

15.1.5. Card holder authorizes Bank to reveal the information.

15.1.6. When required to give a Banker's reference about the card holder, Bank shall need, unless provided earlier, card holder's written permission before it gives it.

15.2. Bank shall not use card holder's personal information for marketing purposes by anyone including itself unless card holder specifically authorizes Bank to do so.

15.3. If Bank collects any information from the card holder other than KYC requirement, it will collect it separately and not as a part of account opening form. In case Bank collects any additional information, it will explain the purpose for which it is collecting this information and take card holder's/applicants specific consent for the same.

15.4. The disclosure to the DSAs/recovery agents should also be limited to the extent that will enable them to discharge their duties. Personal information provided by the card holder but not required for recovery purposes should not be released by the Bank. The Bank should ensure that the DSAs/DMA's do not transfer or misuse any customer information during marketing of credit card products.

15.5. Under a co-branding arrangement, the co-branding entity shall not be permitted to access any details of customer's accounts that may violate the Bank's secrecy obligations.

## **16. Use of International Credit Card while outside India**

Usage of the Card for transacting outside India must be made in accordance with applicable law including the Exchange Control Regulations of the RBI and the Foreign Exchange Management Act, 1999.

## **17. Transactions which are prohibited using Credit Card**

17.1. Remittance of income from racing/ riding etc. or any other hobby.

17.2. Remittance for purchase of lottery tickets, banned /prescribed magazines, football pools, sweepstakes, etc.

17.3. Payment of commission on exports made towards equity investment in Joint Ventures / Wholly Owned Subsidiaries abroad of Indian companies

17.4. Remittance of dividend by any company to which the requirement of dividend balancing is applicable.



- 17.5. Payment of commission on exports under Rupee State Credit Route, except commission up to 10% of invoice value of exports of tea and tobacco.
- 17.6. Payment related to "Call Back Services" of telephones.
- 17.7. Remittance of interest income on funds held in Non-Resident Special Rupee (Account) Scheme.
- 17.8. Remittance for carrying transaction with a person resident in Nepal or Bhutan (may be exempted by RBI subject to such terms and conditions as it may consider necessary to stipulate by special or general order).
- 17.9. Foreign exchange trading through online trading portals.

As and when the Bank comes across any prohibited transaction undertaken by the credit card customer, the card or the account of the customer will be immediately closed

### 18. Transactions which require prior approval of the Central Government

Purpose of Remittance	Ministry / Department of Govt. of India whose approval is required
Cultural Tours	Ministry of Human Resources Development, (Department of Education and Culture)
Advertisement in foreign print media for the purposes other than promotion of tourism, foreign investments and international bidding (exceeding USD 10,000) by a State Government and its Public Sector Undertakings	Ministry of Finance, (Department of Economic Affairs)
Remittance of freight of vessel chartered by a PSU	Ministry of Surface Transport, (Chartering Wing)
Payment of import through ocean transport by a Govt. Department or a PSU on c.i.f. basis (i.e. other than f.o.b. and f.a.s. basis)	Ministry of Surface Transport, (Chartering Wing)
Multi-modal transport operators making remittance to their agents abroad	Registration Certificate from the Director General of Shipping
Remittance of hiring charges of transponders by (a) TV Channels (b) Internet Service providers	Ministry of Information and Broadcasting Ministry of Communication and Information Technology
Remittance of container detention charges exceeding the rate prescribed by Director General of Shipping	Ministry of Surface Transport (Director General of Shipping)
Remittance of prize money/sponsorship of sports activity abroad by a person other than International / National / State Level sports bodies, if the amount involved exceeds USD 100,000	Ministry of Human Resources Development (Department of Youth Affairs and Sports)
Remittance for membership of P&I Club	Ministry of Finance (Insurance Division)





## **19. Reporting to Credit Information Companies (CICs)**

When a customer applies for credit card facility:

- 19.1. Bank will explain to the applicant the role of Credit Information Companies (CICs) as also the checks Bank may make with them and the effect that the information they provide can have on the applicant's ability to get credit.
- 19.2. Bank shall, on request and on payment of the prescribed fee, furnish the applicant a copy of the credit information report obtained by it from the CICs.
- 19.3. Bank shall provide correct information about credit availed by the card holder to the CICs at periodic intervals.
- 19.4. Information reported to CICs will also include personal debts of the card holder with Bank when
  - i. The card holder has fallen behind with his/her payments
  - ii. The amount owed is in dispute
- 19.5. Bank shall update the credit status immediately but not later than 30 days on repayment of over dues. Bank shall report closure of loan to CICs within 30 days of the event. If the loan account has been in default, but thereafter regularised, Bank shall update this information with the CICs in the next report. If there is partial / delayed / any settlement of credit dues, it will impact card holder's credit score.
- 19.6. In case of dispute about the information provided to the CICs, Bank shall resolve the matter by satisfactorily explaining the reasons for reporting to CICs.
- 19.7. Bank shall, on request, inform the card holder of the details of the CIC(s) to whom Bank submits information regarding the credit / loan facility availed by the card holder from it.
- 19.8. Bank should follow uniformed method of determining overdue status for Credit Card Accounts while reporting to Credit Information Companies and for the purpose of levying penal charge like late payment charges etc.
- 19.9. Bank shall report a credit card account as 'past due' to credit information companies (CICs) or levy penal charges, viz. late payment charges and other related charges, if any, only when a credit card account remains 'past due' for more than three days. The number of 'days past due' and late payment charges shall, however, be computed from the payment due date mentioned in the credit card statement. Penal interest, late payment charges and other related charges shall be levied only on the outstanding amount after the due date and not on the total amount.
- 19.10. Before reporting default status of a credit cardholder to a Credit Information Company, the Bank shall ensure that they adhere to a procedure, duly approved by their Board, including issuing of a seven day notice period to such cardholder about the intention to report him/her as defaulter to the Credit Information Company. In the event the customer settles his/her dues after having been reported as defaulter, the Bank shall update the status within 30 days from the date of settlement. Bank shall be particularly careful in the case of cards where there are pending disputes. The disclosure/release





information, particularly about the default, shall be made only after the dispute is settled.

It should be explicitly brought to the notice of the applicant/card holder that the above information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005.

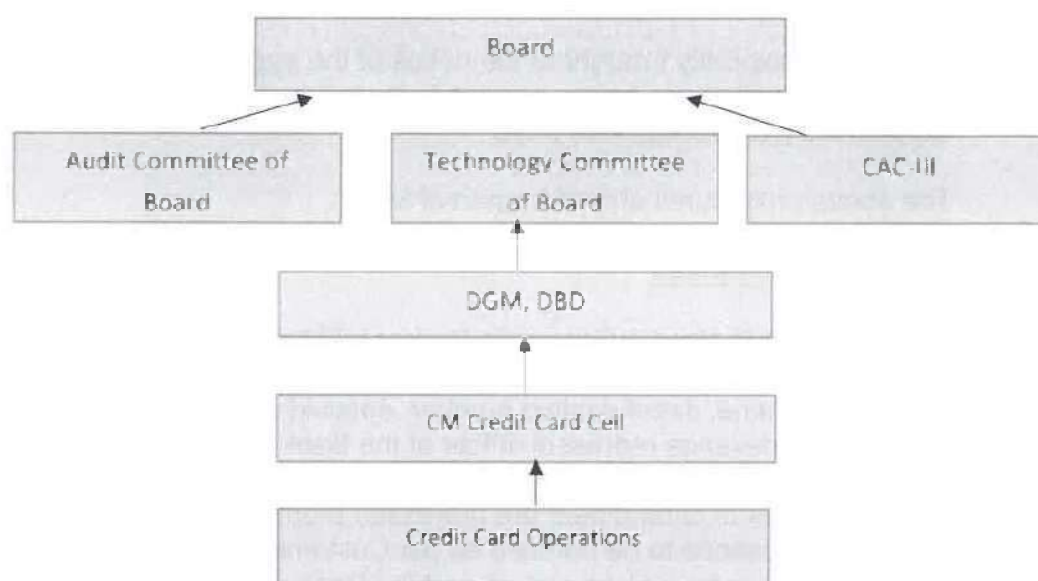
The above procedures should be part of MITC.

## **20. Redressal of grievances**

- a) Bank shall put in place a Grievance Redressal Mechanism within the card issuing entity and give wide publicity about it through electronic and print media. The name, direct contact number, email-id and postal address of the designated grievance redressal officer of the Bank shall be mentioned on the credit card bills and account statements. The designated officer shall ensure that grievances of cardholders are redressed promptly without any delay. Customer grievance to be handled as per Customer service policy of Bank. The grievance redressal procedure and the Bank approved policy shall be displayed on the website of the Bank with a clearly visible link on the homepage. The Grievance Redressal process shall have a provision for automatic escalation of unresolved complaints from a call center/base level to higher authorities. There shall be a system of acknowledging customers complaints for follow up, such as complaint number/docket number, even if the complaints are received over phone.
- b) All the customer complaints related with Credit Card Cell (including unauthorized transactions and complaints aroused due to act of co-branding partners) will be entered into SPGRS by Customers, call centre staff or branch staff immediately after receiving the customer complaints. The acknowledgement number of customer complaints will be provided to customers through SMS / e-mail for tracking the status of the complaints. The customer grievance will be handled as per bank's existing customer grievance policy.
- c) Bank shall be liable to compensate the complainant for the loss of his/her time, expenses, financial loss as well as for the harassment and mental anguish suffered by him/her for the fault of the Bank and where the grievance has not been redressed in time as per customer service policy of Bank. If a complainant does not get satisfactory response from the Bank within a maximum period of one month from the date of lodging the complaint, he/she will have the option to approach the Office of the concerned RBI Ombudsman for redressal of his/her grievance/s.
- d) Customers may refer their complaints/grievances within a time limit of sixty days. It should be given wide publicity by the Marketing division. Frequent training will be conducted by Credit Card Cell for call centre staff to competently handle all customer complaints.



## 21. Structure of Credit Card Cell



Credit Card cell will report to Deputy General Manager, Digital Banking Department

Roles and responsibilities:

1. Underwriting & Card issuance. Card Related operations like hotlisting, limit enhancement. Customer Service, complaints. Credit card promotional activities like running campaigns, followup with branches and zones etc. To prepare and execute strategies for increase of credit card base and transactions. To have tie up with merchant organisations. Audit & compliance related to credit card. SLA monitoring & coordination with service provider.
2. Reconciliation & settlement with interchange (NPCI & VISA). Tie up fintech companies for credit card products. To define and refine customer journey for various process involved in credit card issuance and transaction processing (POS & ECOM). Enhancements in existing products/systems. Implementation of robotic process automation for manual processes involved in credit card issuance, card related operations, reconciliation etc. Digitization of credit card application processing i.e end to end automation from application by customer to delivery of the card to customer.

## 22. GENERAL GUIDELINES FOR CREDIT CARDS:

- i. Bank shall keep internal records to enable operations to be traced and errors to be rectified (taking into account the law of limitation for the time barred cases) as prescribed under 'Master Direction on Know Your Customer', as amended from time to time.
  - ii. The cardholder shall be provided with a record of the transactions after he/she has completed it, immediately in the form of receipt or another form such as the bank statement/email/SMS
- Bank shall block a lost card immediately on being informed by the cardholder.



- iv. Any discounts, cashbacks, reward points, loyalty points or any other benefits offered by the Bank shall be provided in a transparent manner including source of such benefits. The accounting process for the same shall be verifiable in the books of the Bank. Detailed information regarding these benefits shall be displayed on the website of the Bank and a copy of the same shall also be provided to the cardholder.
- v. Bank shall provide to the cardholder multiple channels such as a dedicated helpline, dedicated number for SMS, dedicated e-mail-id, Interactive Voice Response, clearly visible link on the website, internet banking and mobile-app or any other mode for reporting an unauthorized transaction on 24 x 7 basis and allow the customer to initiate the blocking of the card. The process for blocking the card, dedicated helpline as well as the SMS numbers, shall be adequately publicized and included in the billing statements.
- vi. Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.
- vii. Bank shall not dispatch a card to a customer unsolicited, except in the case where the card is a replacement/renewal of a card already held by the customer. In case a card is blocked at the request of the customer, replacement card in lieu of the blocked card shall be issued with the explicit consent of the customer. Further, Bank shall obtain explicit consent of the cardholder prior to the renewal of an existing card.
- viii. In case of an insurance cover provided with a card, Bank shall ensure that the relevant nomination details are recorded by the Insurance Company and the availability of insurance is included, along with other information, in every statement. The information shall also include the details regarding the insurance cover, name/address and telephone number of the Insurance Company which will handle the claims relating to the insurance cover.
- ix. The relationship between the Bank and the cardholder shall be contractual. Bank shall make available to the cardholders in writing, a set of contractual terms and conditions governing the issue and use of such cards. These terms shall be expressed clearly and also maintain a fair balance between the interests of the parties concerned.
- x. The terms and conditions for the issue and usage of a card shall be mentioned in clear and simple language (preferably in English, Hindi and the local language) comprehensible to the cardholder.
- xi. Bank shall not levy any charge that was not explicitly indicated to the cardholder at the time of issue of the card and without getting his/her explicit consent. However, this shall not be applicable to charges like service taxes which may subsequently be levied by the Government or any other statutory authority. The details of all the charges associated with cards shall be displayed on the Bank's website.
- xii. The convenience fee, if any charged on specific transactions, shall be indicated to the cardholder in a transparent manner, prior to the transaction.
- xiii. The terms shall clearly specify the time-period for reversal of unsuccessful/failed transactions and the compensation payable for failure to meet the specified timeline.
- xiv. The terms may be altered by the Bank, but 30 days' notice of the change shall be given to the cardholder to enable him/her to withdraw if he/she so chooses. After the notice period of 30 days, the cardholder would be deemed to have accepted the terms if he/she had not withdrawn during the specified period. The change in terms shall be notified to the cardholder through all the communication channels available.



- xv. The terms shall put the cardholder under an obligation to take all appropriate steps to keep the card safe and not to record the PIN or code, in any form that would be intelligible or otherwise accessible to any third party if access is gained to such a record, either honestly or dishonestly.
- xvi. The issue of cards as a payment mechanism shall also be subject to relevant instructions on cash withdrawal, issue of international card, security issues and risk mitigation measures, card-to-card fund transfers, merchant discount rates structure, failed ATM transactions, etc. issued by the Department of Payment and Settlement Systems, Reserve Bank of India under the Payment and Settlement Systems Act, 2007, and the Foreign Exchange Department, Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended from time to time.

### **23. Co-branded card:**

#### **i. Issuance:**

- a) Prior approval of the Reserve Bank is not necessary for the issuance of co-branded credit cards by Bank subject to conditions stipulated
- b) The co-branded credit card shall explicitly indicate that the card has been issued under a co-branding arrangement. The co-branding partner shall not advertise/market the co-branded card as its own product. In all marketing/advertising material, the name of the Bank shall be clearly shown.
- c) The co-branded card shall prominently bear the branding of the Bank.
- d) The co-branding arrangement with Banking/non-banking partner shall be as per Fintech policy and outsourcing policy of the Bank. Further, the information relating to revenue sharing between the Bank and the co-branding partner entity shall be indicated to the cardholder and also displayed on the website of the Bank.
- e) Bank shall carry out due diligence in respect of the co-branding partner entity with which they intend to enter into tie-up for issue of such cards to protect themselves against the reputation risk they are exposed to in such an arrangement. Bank shall ensure that in cases where the proposed co-branding partner is a financial entity, it has obtained necessary approvals from its regulator for entering into the co-branding arrangement.
- f) Bank shall also be liable for the acts of the co-branding partner. Bank shall ensure adherence to the guidelines as per outsourcing policy of Bank, as amended from time to time. Bank shall ensure that cash backs, discounts and other offers advertised by a co-branding partner are delivered to the cardholder on time. Bank shall be liable for any delay or non-delivery of the same to the cardholders.





### **32. Internal control and monitoring systems**

- 32.1. The Standing Committee on Customer Services will review the credit card operations including reports of defaulters to a Credit Information Company which has obtained Certificate of Registration from RBI and of which the Bank is a member and credit card related complaints on a monthly basis and take measures to improve the services and ensure the orderly growth in the credit card operations
- 32.2. Customer Services division within Operations department will submit detailed quarterly analysis of credit card related complaints to the Standing Committee on Customer Services. Credit Card Cell will prepare and place before the ACB/Board a comprehensive Review Report on credit card business on half-yearly basis as at the end of September and March of each accounting year, which will cover essential data on credit card business, such as category and number of cards issued and outstanding, number of active cards, average turnover per card, number of establishments covered, average time taken for recovery of dues from the card holders, debts classified as NPAs and provisions held there-against or amounts written off, details of frauds on credit cards, steps taken to recover the dues, profitability analysis of the business, etc.
- 32.3. The credit card operations shall be guided by the ISSP Policy and Information Security Policy of the Bank.

### **33. Fraud control – security and other measures**

- 33.1. Banks shall set up internal control systems to combat frauds and actively participate in fraud prevention committee/ task forces which formulate laws to prevent frauds and take proactive fraud control and enforcement measures.
- 33.2. At the time of issue / re-issue, all cards (physical and virtual) shall be enabled for use only at contact based points of usage [viz. ATMs and Point of Sale (PoS) devices] within India. Bank shall provide cardholders a facility for enabling card not present (domestic and international) transactions, card present (international) transactions and contactless transactions. For existing cards, bank may take a decision, based on their risk perception, whether to disable the card not present (domestic and international) transactions, card present (international) transactions and contactless transaction rights. Existing cards which have never been used for online (card not present) / international / contactless transactions shall be mandatorily disabled for this purpose.
- 33.3. Bank should also provide
- I. Facility to switch on / off and set / modify transaction limits (within the overall card limit, if any, set by the issuer) for all types of transactions – domestic and international, at PoS / ATMs / online transactions / contactless transactions, etc.
  - II. The above facility on a 24x7 basis through multiple channels – mobile application / internet banking / ATMs / Interactive Voice Response (IVR); this may also be offered at branches / offices.
  - III. Alerts / information / status, etc., through SMS / e-mail, as and when there is any change in status of the card.





- 33.4. Also, international limit should be by default disabled. It should be activated by customer on temporary basis or permanent basis by themselves as per their requirement.
- 33.5. Additional factor authentication requirement has been relaxed for values upto Rs.5000/- per transaction for card transactions in contactless mode at Point of Sale(PoS) terminals. Beyond, transactions above Rs.5000/- can be processed using AFA. Also, users to be provided option to switch on/off or to set limits for various card features, including for contactless transactions.
- 33.6. All credit cards will be issued shall be EMV chip and pin based or based on any mechanism that may evolve from time to time.
- 33.7. Bank shall ensure that pin validation is required for every transaction using credit card
- 33.8. Bank shall ensure that all terminals that accept card swiping should be PCI-DSS (Payment Card Industry- Data Security Standards) and PA-DSS (Payment Applications- Data Security Standards).
- 33.9. Bank shall frame rules based on the transaction pattern of the usage of cards by the customers in coordination with the authorized card payment networks for arresting card related frauds.
- 33.10. Fraud monitoring system should be real time basis.
- 33.11. Bank shall immediately hotlist a card on receiving information from customers and formalities including lodging of FIR shall be done within a week. Appropriate insurance coverage in respect of lost cards may be provided to the customers who are ready to bear the cost of premium.

#### **34. Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions**

The guidelines issued by the Bank in this regard in Part 1 of para 1.0 Page No. 1 of Customer Service Policy - Compensation Policy for FY 2022-23 should be adhered to.

This policy contains the basic guidelines based on rules and regulations prescribed by RBI and other regulators for carrying out credit card business. When Bank issues a specific credit card there might be some additions required based on the specific feature of that card, requirement of the institution providing platform, Banking scenario at that moment etc. While issuing any credit card Credit Card Cell should put up a note for the Board containing the details of procedures, security and control measures for that specific product based on the guidelines on this policy and as per additional requirement, if any. The note should be vetted by CISO, IRM and then Compliance department before it is put up to the ACB/Board.

#### **35. Audit**

Inspection and Audit department, on half-yearly basis, will audit the adequacy and effectiveness of processes and controls for carrying out the operation of credit card and report on this shall be placed before ACB.

#### **36. Review**

The policy shall be reviewed on yearly basis.



### **37. Discontinuation of credit card**

If Bank decides to discontinue credit card facility, it will be done by approval of Board.

### **38. Conclusion**

RBI has the right to impose penalty for violation of its guidelines on credit card business. This policy is based on RBI's Master Circular on credit card.

### **39. Reference:**

This policy is based on

- i. RBI Master Direction-Credit Card and Debit Card- Issuance and conduct Directions, 2022 ref no.RBI/2022-23/92 DoR.AUT.REC No.27/24.01.041/2022-23 dated 21<sup>st</sup> April 2022.
- ii. Reference again from various RBI Guidelines on KYC, AML, Customer Service, Outsourcing etc.



**BoM CREDIT CARD**  
**Most Important Terms and Conditions**

**Fees and Charges**

**A. Issuance Fee/Entry Fee/Joining Fee**

Issuance fee is waived as Bank shall be giving Lifetime Free Card.

**B. Annual Fees/ Renewal Fees**

Issuance fee is waived as Bank shall be giving Lifetime Free Card.

**C. Cash Advance Fees**

The Cardholder can use the Card to withdraw cash from domestic/international ATMs. A transaction fee would be levied on all such withdrawals and would be billed to the Cardholder in the next statement. A transaction/cash advance fee of 2.50% or Rs.250 whichever is higher at ATMs. The transaction fee is subject to change at the discretion of Bank. All cash advances will also carry finance charge equal to charges on revolving credit (please refer schedule of charges) from the date of withdrawal until the date of full payment.

**D. Charges**

- i. Charges and fees, as may be applicable from time to time, are payable by Cardholders for specific services provided by Bank to the Cardholder or for defaults committed by the Cardholder with reference to his/her Card account.
- ii. Bank retains the right to alter any charges or fees from time to time or to introduce any new charges or fees, as it may deem appropriate, with due intimation to cardholders.

**E. Interest Free Grace Period**

The interest free credit period could range from 15 to 45 days subject to transaction date / submission of claims by the merchant. However, free grace period is not applicable if the previous month's balance not cleared fully and for cash advance transactions.

**F. Finance Charges**

Finance Charges are payable at monthly compounding interest rate on all transactions from the date of transaction; in the event of the Cardholder choosing not to pay his balance in full, and on all cash advances taken by the Cardholder, till they are paid back. If the Customer has outstanding balance from previous months and in the current month, full payment of Total amount due is not made before Payment due date then Finance charges will be levied on the closing balance till the payment date. The current rate of finance charges is 2.50% per month [34.44% per annum]. This charge may change time to time on the discretion of Bank.

Finance charges, if payable, are subject to levy of applicable taxes and are debited to the Cardholder's account till the outstanding on the card is paid in full.

Finance charges on cash advances are applicable from the date of transaction until the payment is made in full.



Example 1 - Card Statement date - 25th of every month,

Transaction done between 26<sup>th</sup> Aug 20 – 25<sup>th</sup> Sept 2020

1. Retail Purchase of Rs.5000/- On 30th Aug 20
2. Cash Withdrawal of Rs.7000/- On 20th Sep 20

Assuming, no previous balance carried forward on the 25<sup>th</sup> Aug 2020 i.e. on statement date, the cardholder will get the next statement on 25th Sept which will show Rs. 12,000/- of transactions along with 6 days of finance charges at the rate applicable on the Rs.7000/- cash withdrawal from ATM. The cardholder needs to make payment against the outstanding by 10th Oct 2020, i.e. 15 days from the Statement Date, for anything between the entire amount and Minimum Amount Due.

If the Cardholder does not make payment of Total Due Amount (TAD) i.e. the Customer has outstanding balance from previous months, in this case finance charges will be applied from the date of purchase till payment date/ statement date whatever is earlier.

#### **G. EMI / Flexi Pay:**

Bank offers flexi pay option to credit card holders as a facility by which customer can pay the amount of transaction in EMI rather than paying full amount. The purchases can be converted into loan with a single click.

The option will be provided for each purchase transaction separately and proposed tenure of loan will be based on the purchase amount for a period of 03/06/09/12/18/24 months.

The rate of interest i.e. 1.25% p.m. is applicable for these EMI conversions. Processing fee @2% of the transaction amount with a minimum Rs.100/- and a maximum of Rs. 1,500/- plus applicable GST / Taxes will be applicable. No interest will be charged on force closure / pre-closure of EMI, however, customer has to pay balance principal plus applicable pre-closure charges.

**H. Late Payment charges will be applicable if Minimum Amount Due is not paid by the payment due date.**

<b>Statement Balance</b>	<b>Late Payment Fee Excluding GST</b>
Less than Rs.500	Nil
Rs. 501 to Rs.5000	Rs. 500.00
Rs.5001 to Rs. 10,000	Rs. 600.00
Rs.10,001 and above	Rs. 750.00





## Example 1 -

Card Statement date – 25<sup>th</sup> of every month. Transaction done between 24<sup>th</sup> Aug to 25<sup>th</sup> Sept

- (1) Retail Purchase of Rs.5000 – On 5th Sept
- (2) Online Purchase of Rs.5000 – On 15th Sept

Assuming no previous balance carried forward on the statement date i.e. 25<sup>th</sup> Aug, the cardholder will get next statement on 25<sup>th</sup> Sept. The statement will show Total Transaction amount of Rs. 10,000/-. The cardholder needs to make payment by 10<sup>th</sup> Oct. If the cardholder does not make the payment of the Minimum Amount Due (MAD) by 10<sup>th</sup> Oct, then Late Payment Charge of Rs.600/- will be charged.

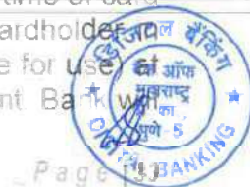
**J. Over limit fees** - As a service gesture Bank may approve certain transactions attempted by the cardholder which are over and above the credit limit. In such scenarios, charges and fees can be debited in the account. Please note that if the outstanding amount exceeds the credit limit, an over-limit fee of 2.5% of the over-limit amount or Rs.500/-, whichever is higher will be levied. Over-limit cases may also happen because of fees and/or interest application.

## **K. Other charges:**

- Card Replacement: Rs.250/-+ App, GST
- Card Cancellation Fee: NIL
- Card Reissuance Fee: Rs.250/- + App, GST
- Duplicate e-statement charges: NIL
- Statement Retrieval Fee: Rs.100/- Per statement for statements more than 2 months' old
  
- Foreign Currency Transaction fee: 3.5% The exchange rate used to convert Foreign Currency transaction into INR will be determined by VISA/Master/ Rupay Card, as the case may be, basis the exchange rates governed by them on the date the transaction is settled with Bank of Maharashtra, which may not be the same date on which the transaction was made. The Foreign currency transaction fee will be applied on the INR converted amount shared by VISA/ Master/Rupay.
  
- FOREX Conversion Markup Fee: 3.50% + applicable GST
  
- Surcharge Waiver (Petrol Surcharge): For Petrol 1% of transaction value (Excluding all applicable taxes wherever applicable) for single transaction between Rs.500/- to Rs. 4,000/-, Maximum waiver of Rs.200/- per month.

## Limits

Credit Limit and Cash Limit are assigned to Cardholders based on Bank's internal credit criteria (Add-On cardholders share the same limits as that of the Primary Account Holder). These limits are communicated to the cardholder at the time of card delivery. The Credit Limit and Cash Limits are communicated to the Cardholder every statement. The Available Credit Limit (i.e. the Credit Limit available for use at the time of the statement generation is provided as a part of the statement. Bank



review the Cardholder account periodically, and increase or decrease the Cardholder credit limit based on internal criteria. Cardholders seeking to have their credit limit increased can do so by writing to BANK and providing financial documents declaring their income. BANK, at its sole discretion and based on such new documents provided, may increase the Credit Limit of the Cardholder.

### Billing and Statement

- a) BANK will send the Cardholder a monthly statement showing the payments credited and the transactions debited to the Cardholder's Account since the last statement, provided the card has been active during the said period. BANK will either mail a statement of transactions in the card account to the mailing address it has on record, or send a statement through email to the email id on record, on a pre-determined date.
- b) Credit Cards offer the Cardholder a revolving credit facility. The Cardholder may choose to pay only the Minimum Amount Due printed on the statement and such payment should be sent before the Payment Due Date, which is also printed on your statement. The balance outstanding can be carried forward to subsequent statements. The Cardholder can also choose to pay the Total Amount Due or any part of the amount above the Minimum Amount Due. Any unpaid Minimum Amount Due of the previous statements will be added to the Cardholders Current Minimum Amount due in addition to the outstanding exceeding the Cardholders Credit Limit.

Minimum Amount due shall be 5% of outstanding amount or Rs. 100 (whichever is greater) plus all applicable taxes and EMI (only in case of EMI based products). Over limit (OVL) amount shall also be included in the MAD in case cash or credit limit is exceeded. Any unpaid MAD of the previous statements, if any, shall also be included in the Minimum Amount Due.

- c) Payments made towards the card outstanding are acknowledged in subsequent statements. Any dispute regarding input tax credit or any other matter pertaining to taxes shall be communicated to Credit Card Issuer within 30 days from the date of issuance of the Statement.
- d) Payments received against the Cardholder's card outstanding will be adjusted against all Minimum Amount Due (which is inclusive of all applicable taxes + 5% of Total Outstanding), Fees & Other Charges, Interest charges, Cash Advance, Balance Transfer Outstanding and Purchase Outstanding in that order.

Card Holder would be responsible for providing correct and timely information for enabling Credit Card Issuer to undertake appropriate GST compliances which would in turn enable card holder to take input tax credit of supplies made by the Credit Card Issuer. Card issuer shall not be responsible for any loss of input tax credit or delay in availment of input tax credit to the card holder on account of incorrect information provided by card holder or due to any act or omission by card holder.

- e) Payments towards the Card account may be made by signing Auto Debit Option in application form. Linked Saving/ Current/ Cash Credit account will be debited as per auto debit mandate (either TAD or MAD) on due date.



- g) **Billing Disputes:** All contents of statements will be deemed to be correct and accepted by the Cardholder unless within 25 days of the Statement Date the Cardholder informs BANK of any discrepancies, and these discrepancies are found to be true by BANK. On receipt of such information, BANK may reverse the charge on temporary basis. If on completion of subsequent investigations, the liability of such charges is to the Cardholder's account, the charge will be reinstated in a subsequent statement.
- h) **Customer Grievance Redressal:** All grievance escalations should be marked to the Credit Card Cell, at Bank of Maharashtra, Head Office, Lokmangal 1501, Shivaji Nagar, Pune - 411005 or e-mail at [ccard\\_support@mahabank.co.in](mailto:ccard_support@mahabank.co.in) Toll Free No. 1800 233 4526/ 1800 102 2636.
- j) No merchant refund/cashback/ cancelled transactions / reversals / promotional cashback will be considered as a payment towards the outstanding of the card.

### **Default and Circumstances**

In the event of default, the Cardholder will be sent reminders from time to time for settlement of any outstanding on the card account, by post, fax, telephone, e-mail, SMS and/or engage third parties to remind, follow up and collect dues. Any third party so appointed, shall adhere fully to the code of conduct on debt collection.

Before reporting default status of a credit card holder to a Credit Information Company which has obtained Certificate of Registration from RBI and of which the BANK is a member, we will provide a months' notice to the card holder.

It may further be noted, that if a card holder, post being reported as defaulter, clears his/her dues, then BANK would withdraw the defaulter status from the Credit Information Company. Such changes may take 45-60 days to reflect in customer's credit report.

Terms and Conditions Governing Credit Card facilities shall be applicable to the Supplementary /Add on Cardholder as well.

BANK submits the Cardholder's data to a Credit Information Company every month in the prescribed format. Credit Information Company uploads the submitted data onto their server within 30 days' time.

The total Outstanding on the Card account, together with the amount of any Charges effected but not yet charged to the Card Account, will become immediately due and payable in full to BANK on bankruptcy or death of the Primary Cardholder, and the Card Account shall immediately stand cancelled. The Primary Cardholder's estate will be responsible for settling any Outstanding on the Card Account and should keep BANK indemnified against all costs, including legal fees and expenses incurred in recovering such Outstanding. Pending such repayments, BANK will be entitled to continue to levy finance charges at its prevailing rates. Bank reserves every right to recover its dues by recourse of law.



## Termination / Revocation of Cardholder

a) The Cardholder may end the Agreement at any time by writing to BANK or calling in to the Helpline, and by cutting the card(s) diagonally. All the cards including the add-on cards will be terminated on the basis of the written request. Termination will be effective after payment of all amounts outstanding on the card account. No annual, joining or renewal fees shall be refunded on a pro-rata basis.

b) BANK may also restrict, terminate or suspend the use of The Cardholder Account at any time without prior notice if BANK reasonably believe it necessary for business or security reasons and/ Or at the request of any law enforcement agency, and/or any government authority and/or under the laws & regulations which apply to BANK & its customer.

BANK can suspend the facility on the Credit Card, if the Cardholder defaults on the payment due or exceeds the credit limit extended. The Card must not be used after the Agreement ends or while use of Card Account is suspended.

c) In such a situation, the Cardholder must (subject to any default or other notice required by law) immediately pay BANK the total outstanding Balance on the Account. This includes all amounts due to BANK under the Agreement, including all transactions and other amounts not yet charged to the Account. The Cardholder Account will not be considered as closed until the Cardholder has paid all such due amounts.

## Loss / Theft / Misuse of Card

a) The Cardholder should contact BANK as soon as possible at the helpline if the Primary or any Additional credit card is misplaced, lost, stolen, mutilated, not received when due or if he/she suspects that the credit card is being used without the Cardholder's permission. Once a card is reported lost, it should not, under any circumstance be used if found by the Cardholder subsequently, and the Cardholder should cut the card diagonally in half.

- Call Centre Toll Free No. [1800 233 4526](tel:18002334526) / [1800 102 2636](tel:18001022636)
- The Cardholder can also block the card instantly using credit card module.

b) BANK is not liable or responsible for any transactions incurred on the card account prior to the time of reporting of the loss of the card to BANK and the Cardholder will be wholly liable for the same. In addition to notifying BANK about the loss or theft of the Card, the Cardholder must report any theft of the Credit Card(s) to the Police and lodge an FIR. The Cardholder will, however, be liable for all losses when someone obtains and misuses the Card or PIN with the Cardholder's consent, or the consent of an Additional Cardholder.

c) As per Reserve Bank of India (RBI) mandate, dated 06 Jul 17 on Customer Protection - Limiting Liability of Customers in Unauthorized Electronic Banking Transactions, a policy is designed to ensure customer protection relating to unauthorized credit card transactions. The same is updated on BOM website under "Customer Grievance Redressal Policy". The policy is based on the principles of transparency and fairness in treatment of customers.





- d) If the Cardholder has acted fraudulently the Cardholder will be liable for all losses. If the Cardholder acts without reasonable care, the Cardholder may be liable for all losses incurred. This may apply if the Cardholder fails to follow the safeguards as specified by BANK
- e) BANK may, without referring to the Cardholder or any Additional Cardholder, give the police or other relevant authorities any information that BANK considers relevant about the loss, theft or misuse of a Card or PIN.
- f) Changes in contact details including mobile number, of your credit card account would be intimated to your new as well as preceding contact details in the system. It is advised to keep your current contact details including mobile number updated in our records.
- g) "BoM offers complimentary lost/stolen card insurance cover on cards. The said insurance is provided by insurance Company as may be decided by Bank from time to time. The General Insurance Company is responsible for any claim settlement in this regard and Bank shall not be responsible for any dispute arising due to claim settlement. For further details on Insurance terms & conditions, Cardholders are advised to go through the brochure in the welcome kit or refer the website."

#### Disclosure

The Credit Information Company is an initiative of the Government of India and the Reserve Bank of India (RBI) to improve the functionality and stability of the Indian financial system. This is in line with RBI's efforts to provide an effective mechanism for exchange of information between banks and financial institutions, thereby enabling cardholders to avail of better credit terms from various institutions

The Cardholder acknowledges that BANK is authorized to share cardholder information to Credit Information Companies (that has obtained Certificate of Registration from RBI)

BANK shall provide information relating to repayment record of the cardholder to a Credit Information Company on monthly basis.

In the event of a dispute, BANK will make suitable amends to the reporting procedure before reporting the card holder as defaulter. However, it may also be noted that such disclosure/release of information would be contingent on time available to investigate and settle such disputes raised.

The Cardholder further acknowledges that BANK is authorized to share Cardholder information, including default in payments with Financial Institution, employer and to other third parties engaged by BANK for proper operation of card accounts, verification and other administrative services

BANK may also share Cardholder information with any parent, subsidiary, affiliate or associate of BANK, for the purposes of marketing and offering various products and services of BANK or its group companies, subsidiaries, affiliates and/or associates

Most Important Terms and Conditions are also available at [www.bankofmaharashtra.co.in](http://www.bankofmaharashtra.co.in)



## Important Regulatory information

- The Card is valid for use both in India as well as abroad. It is, however, not valid for making foreign currency transactions in Nepal and Bhutan.
- Usage of the Card for transacting outside India must be made in accordance with applicable law including the Exchange Control Regulations of the RBI and the Foreign Exchange Management Act, 1999. Foreign exchange trading through internet trading portals is not permitted. In the event of any violations or failure to comply, you may be liable for penal action. You should consult your Authorized Dealer (AD) regarding your Foreign Exchange Entitlement.
- If you have any credit balance on the credit card account, Bank is liable to return this credit balance to you.
- Please do not use credit cards for making remittances/payments towards capital account transactions such as investment in overseas entities or setting up of entities overseas as it is not a permissible method of funding under RBI's Master Direction - Direct Investments by Residents in Joint Venture/ Wholly Owned Subsidiary abroad.
- As per RBI Master Circular- Master Circular on Miscellaneous Remittances from India facilities for Residents, use of Credit Card is prohibited for purchase of prohibited items like lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services, etc., since no drawl of foreign exchange is permitted for such items/activities. Please refer Master Circular on Miscellaneous Remittances from India facilities for Residents for more details.

SCHEDULE OF CHARGES (w.e.f. 01/12/2023)	
Joining Fee	Nil
Annual Maintenance Charges(Per Annum)	Lifetime free card
Add on Card Fee	Nil
Min Amount Due	5% of Total outstanding or (Min Rs.100/-) + EMI (if any EMI is running) + Over limit amount (If any) + Unpaid MAD of the previous billing cycle + all applicable taxes
Revolving Interest Rate(On payment of minimum Due)	2.5% per month with APR of 34.49%
EMI interest & charges	1.25% Per month Processing Fee: 2% of the conversion amount, minimum of Rs.100.00 and maximum of Rs.1500.00 + Applicable taxes.
Processing fee on EMI conversion & Balance transfer	Rs 100.00 minimum or 2% of conversion amount +applicable GST whichever is higher Maximum capping Rs.1500



SCHEDULE OF CHARGES (w.e.f. 01/12/2023)	
<b>Cash Advance</b> Cash Advance Limit Interest Free Credit period Finance Charges	20% of total credit limit will be available as a cash limit. Nil 2.5% pm + Applicable Taxes
<b>Cash Advance Fee</b> At domestic ATM At international ATM	Minimum Rs 250/- Or 2.5% of cash withdrawal amount whichever is higher
Late Payment Fee	Statement Due Bill Amount Charges Upto Rs.500.00 NIL Rs.501.00 to 5000.00 500.00 Rs.5001.00 to 10000.00 600.00 Rs.10001.00 and above 750.00
Over Limit Fee	<b>2.5% of the over limit amount or Rs.500/- + Applicable taxes whichever is higher.</b>
Card Replacement fee	Rs.250 + GST
Card cancellation fee	NIL
Card Re-issue fee	Rs.250 + GST
GST	GST will be levied on the annual fee at the rate of 18% or as per Govt. guidelines.
Reward Point redemption fee	Rs.10/- Rs.99/- plus applicable taxes
Foreign Currency Mark-Up Fee	3.5% Plus Applicable GST
Duplicate Statement Fee	Rs.200/- Plus Applicable GST
Fuel Surcharge waiver (Petrol Surcharge)	For Petrol, 1% of transaction value (excluding taxes wherever applicable ) for single transaction spends between Rs.500/- to Rs.4000/-, maximum waiver of Rs.200/- per month.

All taxes would be charged as applicable on all the above Fees, Interest and charges.

- "Applicable Taxes" means:
- for the cardholders having State of residence in the records of Bank on the statement date as "Maharashtra" - Central Tax @ 9% and State Tax @ 9%
- for the cardholders having State of residence in the records of Bank on the statement date as other than "Maharashtra" - Integrated Tax @ 18%

Your continued usage of the card will be deemed as acceptance of these amendments.

### Changes in Tax Law

- The Government of India has implemented the Goods and Service Tax (GST) with effect from 1st July'2017. Applicable GST rate: 18%.

All information given above is correct as of March 2023 and is subject to change at the discretion of Bank. Most Important Terms and Conditions are also available at [www.bankofmaharashtra.in](http://www.bankofmaharashtra.in)



## Annexure-II

### FAIR PRACTICES CODE FOR SELF-REGULATION OF CREDIT CARD BUSINESS

#### **Preamble**

This is a voluntary code, adopted by the Bank for the operations of Credit Cards Division. It will act as a benchmark service standard in Bank's dealings with individual customers. The code is expected to help the credit card users in knowing their rights and also measures they should take to protect their interests.

As a voluntary document, the code promotes competition and encourages market forces to achieve higher operating standards to benefit customers. In the code, "you" denotes the credit card customer and "we" denotes the credit card issuer. The standards of the code are governed by the 4 commitments as detailed in Section A.

Unless stated otherwise, all parts of this code apply to all the credit card products and services, whether we provide them across the counter, over the phone, on internet or by any other method.

Commitments outlined in this code is applicable under normal operating environment. In the event of *force majeure*, we may not be able to fulfil the commitments under this code.

#### **A. Key Commitments by the Bank**

Bank promises to:

1. Act fairly and reasonably in all its dealings with customers by:

- Meeting the commitments and standards in this Code, for the products and services that Bank offers, and in the procedures and practices staff/agents follow
- Making sure Bank's products and services meet relevant laws and regulations
- Ensuring that our dealings with customers will rest on ethical principles of integrity and transparency.
- Not engaging in any unlawful or unethical consumer practice.

2. Help customers to understand how Bank's credit card products and services work by giving them the following information in simple language:

- What are the benefits to customers?
- How customers can avail of the benefits?
- What are the financial implications?
- Whom customers can contact for addressing their queries and how?

3. Deal quickly and effectively with customer queries and complaints by:

- Offering channels for customers to route their queries
- Listening to customers patiently
- Accepting customers mistakes, if any
- Correcting mistakes/ implementing changes to address customer queries
- Communicating response to customers promptly
- Telling customers how to take their complaint forward if they are not satisfied with the response.





4. Publicize this code, by making it available for public access on our website and make copies available for customers on request.

## **B. Information**

Before issuing a credit card to the customer, Bank will

- Explain customers about key features of it, including relevant terms and conditions such as fees and interest charges, billing and payment, renewal and termination procedures and any other information that customers may require to operate the card
- Advise customers about documentation required by the Bank as per regulatory guideline
- Verify the details provided by the customers
- Explain relevant terms and conditions such as fees and interest charges, billing and payment, renewal and termination procedures and any other information that you may require to operate the card
- Will send a service guide/member booklet giving detailed terms and conditions, interest and charges applicable and other relevant information with respect to usage of credit card along with credit card
- Advise customers of Bank's contact details such as contact telephone numbers, postal address, website/email address to enable them to contact Bank whenever needed.
- If customers do not recognize a transaction which appears on their credit card statement, Bank will give more details on request. In some cases, we may need your cooperation to get us confirmation or evidence that you have not authorised a transaction. If you believe that an error has occurred in the statement you should promptly inform us in writing (so that the same is received by us within 30 days of the date of statement in which the transaction under dispute was charged). The operating rules applicable under the Credit Cards Scheme impose time limits on reporting disputed transactions. If you do not report / inform us within the above time, it would make it difficult for us to gather information about the transactions and this may work to your disadvantage. It is therefore advisable to notify us of any disputed transactions immediately upon receipt of the statement of account.
- Advise customers through Usage guide / MITC of the losses on customers account that customer may be liable if card is lost/misused

## **C. Marketing Ethics**

1. Bank's sales representatives will identify themselves when they approach customers for selling card products. In the event of receipt of any complaint from customer that Bank's representative has engaged in any improper conduct, Bank will take appropriate steps to redress the complaint.
2. If Bank's telemarketing staff/agents contact customers over phone for selling any credit card products or with any cross sell offer, the caller will identify himself/herself and advise customer that he/she is calling on Bank's behalf.



#### **D. Tariff (Fees/Charges/Interest)**

1. You can find our schedule of common fees and charges (including interest rates) by:
  - Referring to the Usage guide / MITC
  - Calling up on customer service numbers, or
  - Visiting our website
2. When you become a customer, we will provide you information on the interest rates applicable on your credit card and we will charge the same to your credit card account, if applicable.
3. We will explain how we apply interest to your account on request. However the Most Important Terms and Conditions document and the monthly statements contain details of the method of interest calculation.
4. When we change our tariff (Interest rate or other fees/charges) on our credit card products, we will update the information on our website and monthly statements, and will make the information available at our telephone helpline.

#### **E. Issuance of credit Card / PIN**

1. Bank will dispatch credit card to the mailing address/e-mail mentioned by customers through courier / post. Alternatively, we shall deliver your credit card at our branches which maintain your banking accounts(s) under due intimation to you.
2. Green PIN (Personal identification number) needs to be created by card holder himself using OTP on registered mobile number.

#### **F. Account Operations**

1. To help customers manage their credit card account and check details of purchase/cash drawings using the credit card, Bank will offer customers a facility to receive credit card transaction details either via monthly mail or through the internet. Credit card statement will be dispatched on a predetermined date of every month.
2. In the event of non-receipt of this information, we expect you to get in touch with us so that we can arrange to resend the details to enable you to make payment and highlight exception if any in a timely manner
3. We will let you know / notify changes in schedule of fees and charges and terms and conditions. Normally, changes (other than interest rates and those which are a result of regulatory requirements) will be made prospective effect giving sufficient notice
4. Bank will advise customers what they can do to protect their credit card from misuse
5. In the event customer's credit card has been lost or stolen, or that someone else knows the PIN or other security information, Bank will, on customer's



notifying Bank, take immediate steps to try to prevent these from being misused, subject to operating regulations and law in force.

### G. Confidentiality of Account Details

Bank will treat all customer's personal information as private and confidential (even when customers are no longer a customer). Bank will not reveal transaction details of customer's accounts to a third party, including entities in our group, other than in the following exceptional cases

- Providing information to the Credit Information Companies (CICs) as per Credit Information Companies (Regulation) Act (CICA) about the loans, unsecured loans, credit card, etc.
- Giving the information required by law or by the Banking regulator.
- Fulfilling a duty towards the public to reveal the information.
- Bank's interests require it to give the information (for example, to prevent fraud) but Bank shall not use this as a reason for giving information about the card holders or their accounts (including name and address) to anyone else, including other companies in the group, for marketing purposes.
- Card holder authorizes Bank to reveal the information
- When required to give a Banker's reference about the card holder, Bank shall need, unless provided earlier, card holder's written permission before it gives it.

### H. Collection of dues

- Repayment process by way of amount, tenure and periodicity of repayment will be explained to the card holder in advance.
- Bank will investigate the complaints about unfair practices by recovery agents.

### I. Redressal of Grievances

#### 1. Redressal of complaints internally

- Customers can call Bank's 24-hour call centre numbers or write to Bank or email and Bank's staff will resolve all their queries related to credit card.
- The contacts details are available separately in Bank's marketing collaterals, Usage guide, monthly statements and in the Bank's website.

#### 2. Banking Ombudsman Service and other avenues for redressal

- Within 30 days of lodging a written complaint with Bank, if customer does not get a satisfactory response from Bank and wish to pursue other avenues for redressal of grievances, customer may approach Banking Ombudsman appointed by Reserve Bank of India under Banking Ombudsman Scheme 2006.

### J. Termination of Credit Card

1. Any request for closure of a credit card has to be honoured immediately, subject to full settlement of dues by the cardholder. No annual, joining or renewal fees shall be refunded on a pro-rata basis.
2. Bank may terminate customer's credit card, if in Bank's opinion, any breach of agreement is made by the cardholder.



## **K. Scheme guidelines and regulations**

All card issuing banks are bound by the regulations of the scheme (Visa, MasterCard and any other scheme under which the card would apply), and in turn you as the customer would be governed and bound by the same. These card operating regulations are subject to changes from time to time by the scheme. We will update you as and when it happens.

## **L. Feedback and Suggestions**

Please provide feedback on our services. Your suggestions will help us to improve our services.

