



**Saraswat  
Bank**

**Saraswat Co-operative Bank Ltd.**

(Scheduled Bank)

## **CREDIT CARD POLICY**

**FY 2023-2025**

**(FOR PRIVATE CIRCULATION)**

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## **CREDIT CARD POLICY** **(FY 2023-2025)**

### **I. INTRODUCTION**

#### ➤ **PREAMBLE:**

Reserve Bank of India in its First Bi-Monthly Policy Statement 2015-16 dated 7<sup>th</sup> April 2015 permitted Scheduled Urban Co-operative Banks to issue Credit Cards. The extract of the Policy statement was – *“With a view to enlarging the scope of Urban Co-operative Banks for expanding their business, it has been decided to allow Financially Sound and Well Managed (FSWM) Scheduled Urban Cooperative Banks which are CBS enabled and having minimum net worth of Rs. 100 Crores to issue Credit Cards in affiliation with entities (NPCI / VISA / MasterCard) authorized by Department of Payment and Settlement Systems, Reserve Bank of India”.*

This policy documents covers the key features related to issuance and conduct of Credit Card business by the bank. The bank will abide by all the guidelines, directives, instructions, and advice of RBI as may be in force from time to time.

#### ➤ **OWNERSHIP:**

The ownership of this policy lies with Credit Card Cell.

#### ➤ **VALIDITY:**

The Policy will be valid for the F.Y. 2023-2025 and till the approval of the next policy. However, if any changes are warranted in the interim due to fresh directives from the RBI or otherwise, these will be incorporated after obtaining the approval of the Board.

#### ➤ **VARIANTS OF CARDS:**

UCBs are permitted to issue general purpose Credit Cards to their customers but are not allowed to issue co-branded Credit Cards. General purpose cards are those that are issued under the trademark of the Credit Card Associations [NPCI (RuPay) / VISA / MasterCard, etc.] and accepted by many merchants. At present bank issues Rupay Platinum Credit Card.

#### ➤ **SALIENT FEATURES OF CREDIT CARD:**

The term "Credit Card" 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. Credit Cards allow cardholders to pay for purchases made over a period, and to carry a balance from one billing cycle to the next. Credit Card purchases normally become payable after a free credit period, during which no interest or finance charge is imposed. Interest is charged on the unpaid balance after the payment is due. The interest is applied from the date of transaction. 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 if it is higher than the minimum amount due and carrying forward the balance.

A Credit Card scheme typically involves the following parties –

- a. Cardholders - Persons who are authorized to use Credit Cards for the payment of goods and services.
- b. Card issuers - Institutions/ Banks which issue Credit Cards.
- c. Merchants - Entities which agree to accept Credit Cards for payment of goods and services.
- d. Merchant Acquirers - Banks / NBFCs which enter into agreement with merchants to process their Credit Card transactions; and
- e. Credit Card Associations - Organization's that license card issuers to issue Credit Cards under their trademark, e.g., NPCI (RuPay), VISA and

MasterCard, and provide settlement services for their members (i.e., card issuers and merchant acquirers).

Credit Card schemes normally operate at an international level too, meaning that cardholders belonging to card issuers in one country can make purchases at the place of business of merchants in another country.

➤ **ELIGIBLE CARDHOLDERS:**

UCBs are permitted to issue Credit Cards to their regular members and nominal members only, but not to non-members.

**II. GUIDELINES FOR ISSUANCE OF CREDIT CARDS:**

➤ **UNSECURED CREDIT CARD (TO CUSTOMER AGAINST INCOME DOCUMENTS):**

**a. Type of Applicant:**

1. Resident Individual:
  - Salaried employees of organizations like Limited Companies, body corporate, proprietorship firms, partnership firms, firm's partners, and Directors of a Company.
  - Self-employed / Professional / Businessman / Proprietor
  - Pensioners (Govt. employees/ Reputed private limited company /limited company)
2. Non-Resident Individual:  
This facility **cannot** be extended to Non-Resident Individuals,
3. Directors of Saraswat Bank and Family Member of Directors:  
This facility **cannot** be extended to Directors of Saraswat Bank and Family Member of directors

Bank will ensure that Credit Cards are invariably offered to the visually challenged without any discrimination.

**b. Type of Activity:**

Stock / Commodity Brokers: Individuals / Body corporates involved in this activity cannot be extended this facility.

**c. Employment Norms for Salaried Individuals:**

Individual applicants working with the following type of organizations are eligible to avail the facility –

1. Public Limited Companies
2. Private Limited Companies
3. Government Organizations / Public Sector Undertakings
4. Entities / Organizations having Banking relationship with our Bank.
5. Private aided Schools / Colleges / Trusts
6. Proprietorship Firms / Partnership Firms / LLPs

**d. Age of Applicant:**

Salaried Employees	18 to 65 years
Businessmen	18 to 70 years

**e. Credit card limit:**

Minimum	10000/-
Maximum	500000/-*

\* (The individual Credit Card limit together with other unsecured borrowings by an individual should not exceed the permissible unsecured limit of Rs.500000/- for an individual borrower)

**f. Income Criteria: (applicable to unsecured cards only)**

**\*For salaried persons:**

The minimum net take home salary should be as per scheme wise as follows:

- 1.Unsecured regular scheme: Rs.25,000/-
- 2.Unsecured CIBIL1, CIBIL2, Two-wheeler, Car Loan: Rs.10000/-

**\*For businessmen:**

Self-employed and professionals, the minimum Gross Income should be Rs.1.50 Lakhs p.a.

\*(It may vary as per bank discretion)

**g. Banking Relations:**

It is not mandatory for all applicants to have Banking relations with the Bank. However, all applicants shall have to be admitted as nominal member or shareholder of the Bank for issuance of credit card.

➤ **SECURED CREDIT CARD:**

Bank issues Credit Card based on the security provided in the form of fixed deposits of our Bank to individuals. Such card variant is issued on lien against Term Deposits. These cards are termed as Secured Credit Card. No income proof is required for sanction of secured credit card against deposits.

**Eligibility:**

Age of applicant:

Minimum	18 years
Maximum	No upper limit

Credit Card Limit:

Minimum	Rs.5000/-
Maximum	Rs.1000000/-

(Limit will be 80% of the Term deposit Principal amount)

Term Deposit: Minimum FDR tenure is 12 Months and above with auto renewal facility.

Lien Marking: Term Deposit lien marked for credit card cannot be lien marked or taken as security for any other account. Cancellation of Lien marking should be done only after surrender of the card along with payment of total dues.

Primary Holder (FDR): Secured credit card will be issued only to the primary account holder of the Term deposit.

Joint Holder (FDR): In case the deposit is jointly owned, Credit Card can be issued, after taking signatures of all the joint holders, Credit Card can be issued, after taking signatures of all the joint holders on the prescribed formats.

Third Party: Third party receipt can also be placed as security for Secured Credit Card after executing prescribed documentation.

➤ **UNSECURED CREDIT CARD TO OUR CUSTOMERS AVAILING LOAN FACILITIES:**

**Targeted group and purpose:**

Bank issues Credit Card to existing home/ mortgage loan borrowers as per limit mentioned in their sanction letter provided regular repayment track records in the concerned loans and having adequate security after meeting the loan component.

**Eligibility:**

Salaried Employees	18 to 65 years
Businessmen	18 to 70 years

**Credit Card limit:**

-As per sanction letter, (Maximum Rs.5,00,000/-)

\* (The individual Credit Card limit together with other unsecured borrowings by an individual should not exceed the permissible unsecured limit of Rs.500000/- for an individual borrower)

-No income proof/CIBIL required

-Limit enhancement will be considered based on their repayment track record, usage, and loan outstanding amount for these card

➤ **UNSECURED CREDIT CARD TO BANK STAFF:**

A separate Policy for issuance of Credit Cards to Staff Members is appended with this Policy.

➤ **ADD ON CARDS:**

**Eligibility:**

Age limit Minimum	18 years
Age limit Maximum	No limit

Add-on Credit Card means a supplementary credit card to the principal or primary credit card, issued to person/s with predefined relationship with the primary cardholder, within the credit limits and liability of the latter, subject to such terms and conditions as stipulated by the card-issuer.

Add on card shall be issued to the spouse/ children/ parents / siblings of the primary cardholder by obtaining add on application from the primary cardholder with a specific clause that the liability of add on cards shall be on Principal cardholder. The add on cardholders should also fulfill the age criteria for issuing Credit Card. Maximum of 2 add on cards can be issued to the primary card.

However, the overall limit of all the cards shall be within the eligible card limit.

Add on card cannot be issued to Primary Credit Card holder.

**III. CREDIT CARD PROCESS CYCLE:**

The various stages & responsibilities of the Credit Card product cycle are defined in the Standard operating Practices (SOP) for credit cards.

**IV. CREDIT CARD LIMITS:**

- Credit Card debt is an Unsecured Line of Credit unless backed by any tangible security. As repayment of Credit Card dues depends primarily upon the card holders' capacity to repay and customers hold more than one Credit Card from different Banks with the intention to pay only minimum monthly payments on outstanding balances, the individual credit limits should be arrived at after assessing the repayment capacity of the customer having regard to the limits enjoyed by the cardholder from other Banks.
- The maximum individual limit for a Credit Card issued to a regular member should be kept at the permitted individual unsecured limit as prescribed in RBI's Circular DoR.AUT.REC. No.27/24.01.041/2022-23 and as amended from time to time. The individual Credit Card limit together with other unsecured borrowings by an individual should not exceed the permissible unsecured limit for an individual borrower. The Credit Card limits for nominal members should be as prescribed in RBI's Circular UBD.No.Plan.PCB.20/09.63.00/96-97 dated October 16, 1996, and as amended from time to time.
- The total unsecured loans and advances (with surety or without surety or cheque purchases) granted by a Bank to its members together with cumulative approved Credit Card limits should not exceed 10 percent of its total assets as per audited balance sheet as on 31<sup>st</sup> March of the preceding financial year.
- As per the prevalent RBI guidelines, Banks should convey in writing the main reason / reasons which in the opinion of the Bank have led to the rejection of the Credit Card applications.
- The card issuing Banks would be solely responsible for fulfilment of all KYC requirements.

- The minimum Card Limit shall not be less than Rs. 10,000/- and the maximum Card Limit shall not exceed Rs. 5 Lakhs. However, in case of Secured Credit Cards, minimum Card limit shall not be less than 5000/- and maximum limit shall not exceed Rs. 10 Lakhs as per the security (lien-marked Fixed Deposits) provided.
- Detailed assessment of the applicant's repayment capacity and/or credit worthiness will not be applicable in case of Secured Credit Cards which are issued against the security of applicant's Fixed Deposits lien marked in favor of the Bank.
- The detailed process for sanctioning the Credit Card limits including the delegation/s for limit approval and deviation approvals as well as ratification will be decided by the Bank and the same may be modified from time to time as per requirements. The concerned delegated authorities shall be ascertained with the approval of BOARD. (Anx For delegation of Limit Approval)

## V. **NORMS:**

### ➤ **TURNAROUND TIME (TAT):**

The Bank will work towards arriving at a decision on the approval / rejection of a Card application within 15 working days from the date of receipt of the application at Credit Card Cell. The TAT for delivery of the card post approval shall stand and can be extended further due to exigencies beyond the control of the Bank / authorized vendor.

### ➤ **BILLING CYCLE:**

The Billing Cycle will be stipulated at 1 month. The effective date i.e. the billing period shall be determined by the Bank and the same may vary from time to time and for different cardholders, as may be decided by the Bank. The payment due date shall be between 15 - 20 days from the billing (statement) date.

### ➤ **CREDIT RISK MANAGEMENT:**

The Bank shall define and put in place defined parameters for assessment of a Credit Card Application. The broad contours of the Rating parameters shall include and shall not necessarily be restricted to the demographic details of the applicant in terms of his age, occupation, income profile, asset ownership, past track record, Banking relationship, etc.

The Bank at its discretion may decide to issue Credit Cards based on parameters other than the rating parameters defined for Credit Card applications. Approval for such issuance shall be obtained by the Credit Card Cell from the appropriate authority.

The Bank shall ensure that the required parameters are put in place for monitoring the card transactions so as to comply with the prescribed requirements of Prevention of Money Laundering Act, 2002. The various parameters forming part of the Risk Management exercise shall be updated from time to time as per the requirements specified by the regulatory authorities or as may be deemed fit by the Bank from time to time.

The required specifications shall be incorporated in the Credit Card software for deterring attempted fraudulent card transactions.

### ➤ **SHAREHOLDING:**

Credit Card holders (excluding staff members) shall be made members of the Bank as under

- a. For Credit Limits up to Rs.1.00 Lakh - Nominal Membership
- b. For Credit Limits above Rs.1.00 Lakh - Rs. 500/- shareholding
- c. The above limit relates to the overall limit allocated / approved to the Primary Card Holder and is inclusive of the limit granted to the add on card holders. The add on card limit shall not be treated separately in no manner whatsoever.
- d. In case the Credit Limit granted earlier is being increased / enhanced so that the same crosses the limit of Rs. 1,00,000/-; the Bank shall ensure that the Share Application Amount is recovered upfront from the Card holder.
- e. In case of applications under COMBO Offer, additional shareholding / nominal membership will not be required to be obtained.

- f. In case of Secured Credit Card applications, shareholding norms shall not be applicable since the credit limits are backed by tangible security in the form of Bank's Fixed Deposits.

## **VI. GENERAL PROVISIONS FOR SANCTION OF CREDIT CARDS:**

- The instructions/guidelines on KYC/AML/CFT applicable to Banks, issued by RBI from time to time, shall be adhered to in respect of all cards issued, including add-on cards.
- The applicant's age, financial position, proven income, business profile, employment, residential/social status, etc. shall also be taken into consideration while sanctioning a card or for arriving at the limit to be sanctioned.
- Credit risk shall be assessed while issuing Credit Cards, and shall be issued with a specific card limit, commensurate with the financial standing, credit worthiness, business relation of the applicant with the Bank and repayment capacity of the applicant.
- The issuance of the cards is subject to satisfactory CIBIL score as per the norms decided by Bank from time to time. However, CIBIL score of -1, which means no credit history is available with Credit Information Companies (CIC), is also eligible for issuing Credit Card with enhanced due diligence. Sanction of Credit Cards to the borrowers having CIBIL score of -1 is vested with higher authorities.
- Bank shall block a lost card immediately on being informed by the cardholder and formalities, if any, can follow within a reasonable period of 3 days.
- Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.
- 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.
- Any information regarding discounts, cashbacks, reward points, loyalty points or any other benefits offered by the bank shall be displayed on the bank's website issuer and a copy of the same shall also be provided to the cardholder.

### **OTHER IMPORTANT PROVISIONS:**

- As per RBI guidelines, by default all Credit Cards, though issued with global validity, shall be activated for domestic usage only. However, cardholder can activate the international usage by Logging in to Credit Card portal or through mobile application (Saraswat Credit Card). Alternately, cardholder can send request email to Credit Card Department to enable international usage in their Credit Card.
- Cash advance Limit is 40% of card limit.
- Card limit is subject to revision based on the track record of the cardholder.
- Whenever the card applications are rejected, the Bank shall inform with reason for such rejection.
- Bank shall process and sanction the cards to its customers through CCOS.
- Cards shall be issued only on request of customer and any upgradation shall be with the consent of the customer.
- For activation of cards, customers are empowered via App and portal.
- For the cards which are not activated for more than 30 days from the date of issuance of cards, calls for activation will be made from Credit Card Cell. SMS will be sent to inactive cards for activation.
- Credit Cards representatives shall contact only between 10.00 and 19.00 hrs

## **VII. Limit Enhancement:**

- Normally limit will be enhanced based on income as per ITR/Salary Slip, at the request of the card holder.
- The request for enhancement of the credit limit along with the branch recommendation is placed for the consideration of Head- Credit card for approval. The credit card usage history, latest CIBIL personal score and repayment record are the basis for deciding the limit enhancement amount.



## VIII. **Benefits and Offers:**

### ➤ **AIRPORT LOUNGE:**

Free airport lounge access to the cardholders at selected airports will be available, as provided by respective card networks (VISA/Rupay/Master Card). The terms and conditions are applicable as laid down and updated by card network from time to time.

### ➤ **REWARD POINTS:**

Reward Points program is applicable on usage of all individual Credit Cards for all merchant transactions from time to time with the following features:

- a. Reward Points are allotted only on successful merchant transactions (PoS/E-COM) after settlement of funds.
- b. Cardholder will earn 1 reward point for every Rs. 100 spent. Value of each point shall be Rs. 0.25 for redemption. Reward point facility and the conversion price may vary from time-to-time as per Credit Card Cell discretion.
- c. However, the following are not eligible for reward program: Cash withdrawals from ATMs/ Cash at PoS.
- d. Bank may introduce new /existing Credit Card products which offers variable reward points on Credit Card spends based on merchant category (MCC) or cost benefit analysis to improve the card usage and customer experience.
- e. Bank can decide on the reward points for spends at various merchants irrespective of card variant based on card proposition and cost benefit analysis. However, Bank may restrict/enhance this facility to any of the Credit Card variants / category of customers based on Credit Card features/proposition.
- f. Validity of reward points shall be for 1 year.

### ➤ **CASHBACK:**

Cashback are decided by bank with the approval of MD as per the market trend.

### ➤ **PERSONAL ACCIDENTAL INSURANCE:**

Cardholders are covered under Personal accidental insurance package in case of death by accident as per NPCI accidental insurance policy.

### ➤ **OTHER VALUE-ADDED SERVICES:**

- a. EMI facility.
- b. Credit Card portal for card holder's convenience.
- c. Credit Card mobile app (Android and IOS version) with card control and second factor authentication facility.
- d. Call Centre 24x7 for customer service (1800-266-9545)

## IX. **EMI FACILITY:**

In order to facilitate card holders, to conveniently repay the card dues and to provide a competitive edge to our Credit Card product, for its increasing usage for high value merchant transactions, an option to make payments in Equated Monthly Installments (EMIs) shall be made available to the Cardholders.

Accordingly, an EMI facility with the following salient features, as approved is in vogue.

- Merchant transactions of Rs.2,500/- and above, except the under mentioned are eligible for EMI facility. Transactions less than Rs.2,500/-cannot be combined.
  - a. Cash withdrawal through ATM and Cash @ PoS
  - b. Transaction made for Jewellery Purchases.
  - c. Amount spent through card on purchase of fuel at petrol pumps.
- The EMI repayment period shall be 3/6/9/12 months as per convenience of the cardholder.
- Interest shall be charged at the prescribed rate as approved by bank  
Conversion of total outstanding balance of the card to 3/6/9 EMIs may be considered as one-time facility on selective basis, where there is no default in the card till date.

If cardholder does not pay auto subsequent installments of EMI converted, EMI facility to be cancelled.

#### **X. CLOSURE OF CREDIT CARD:**

- Any request for closure of a credit card shall be honoured within seven working days by the card issuer, subject to payment of all dues by the cardholder. Subsequent to closure of credit cards the cardholder will be immediately notified about the closure through mail, SMS etc.
- Cardholders will be provided option to submit request for closure of credit card account through multiple channels such as dedicated email id [creditcards@saraswatbank.com](mailto:creditcards@saraswatbank.com) or any other mode such as submit physical request in any branch of Saraswat Bank.
- Failure on the part of the card issuers to complete the process of closure within seven working days shall result in a penalty of Rs.500/- per day of delay payable to the customer, till the closure of the account provided there is no outstanding in the account.
- If a 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 card issuer subject to payment of all dues by the cardholder.
- If a card has not been activated within 30 days from the date of issuance. If no consent is received for activating the card, Credit Card Cell shall close the credit card account without any cost to the customer within 7 working days from date of seeking confirmation from the customer.
- Subsequent to closure of credit card account, any credit balance available in credit card accounts shall be transferred to the cardholder's bank account. Card-issuers shall obtain the details of the cardholder's bank account, if the same is not available with them.

#### **XI. ISSUE OF UNSOLICITED CARDS:**

The issue of unsolicited cards/upgradation is strictly prohibited. It is emphasized that any loss arising out of misuse of such unsolicited cards shall be the responsibility of the card issuer only and the person in whose name the card has been issued shall not be held responsible for the same.

#### **XII. DEATH OF CARD HOLDER:**

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 Saraswat bank Credit Card on death of the Primary Cardholder, and the Card Account shall immediately block. The Primary Cardholder's estate will be responsible for settling any Outstanding on the Card Account and should keep Saraswat bank Credit Card indemnified against all costs, including legal fees and expenses incurred in recovering such Outstanding. Pending such repayments, Saraswat bank Credit Card will be entitled to continue to levy finance charges at its prevailing rates which may be reversed later on the request of legal heir at the time of clearance of dues.

#### **XIII. SUSPEND / TERMINATE / RESTRICT THE USE OF CREDIT CARD:**

Saraswat Bank Credit Card may also restrict, terminate or suspend the use of The Cardholder Account at any time without prior notice if Saraswat 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 Saraswat bank & its customer.

Saraswat bank Credit Card can suspend the facility of Credit Card, if the Cardholder defaults on the payment due or exceeds the credit limit extended. The Cardholder Account will not be considered as closed until the Cardholder has paid all amount due.

#### **XIV. BILLING & ACCOUNT MAINTENANCE INCLUDING INTEREST RATES AND OTHER CHARGES:**

The following procedure for billing and maintenance of card transactions shall be followed and any changes in the process shall be done with the approval of concerned authority. Monthly bills shall be prepared by the Service Provider on defined date of billing.

- E-statement will be sent to all the cardholders on their registered email ID, in a password protected mode, using the details known only to the card holder.
- SMS alert will also be sent to the card holder on their registered mobile number informing the billing amount and due date. Reminder SMS will also be sent before due date.
- Bank shall ensure that there is no delay in sending/dispatching/ emailing bills/statements and the customer has enough days [at least one fortnight] for making payment before the interest starts getting charged.
- Bank shall ensure that wrong bills are not raised and issued to cardholders. In case, a cardholder protests any bill, the card-issuer shall provide explanation and, wherever applicable, documentary evidence shall be provided to the cardholder within a maximum period of 30 days from the date of complaint
- No charges shall be levied on transactions disputed as 'fraud' by the cardholder until the dispute is resolved.
- To provide flexibility in standard billing cycle for all credit cards issued, cardholders shall be provided a one-time option to modify the billing cycle of the credit card as per their convenience.
- 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.
- Credit Card Cell 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. The Credit Card Cell 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 Credit Card Cell for reversal of the credit amount outstanding in the card account into his/her bank account, the card-issuer shall do it within three working days from the receipt of such request.
- Credit Card Cell shall report a credit card account as 'past due' to CIC 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 3 days.
- Changes in charges shall be communicated with 30 days' notice period, in case customer does not agree on payment of all dues, cardholder will be permitted to close without levying any extra charge.

#### **INTEREST RATES AND OTHER CHARGES**

- The Annualized Percentage Rate (APR) is the annual cost of credit to the cardholder which includes interest rates and all other charges associated with the credit card under different scenarios based on card features.
- The Annualized Percentage Rate (APR) to be decided by Board of directors from time to time depending upon the product, its features, analysis of overall aspects and interest free credit period offered to customer.
- Bank shall publicize through website the interest rates charged to various categories of customers as part of MITC
- Bank shall indicate upfront to the card holder [as part of MITC], the methodology of calculation of finance charges with illustrative examples, particularly in situations where only a part of the amount outstanding is paid by the customer
- Bank shall quote APR for all types of payments with clear example on partial payment cases i.e., Cash, Late payment etc. in Welcome Kit.
- Minimum Amount Due (MAD) is the minimum amount of money, as a part of the total bill amount, that a cardholder has to pay to not be treated as an overdue bill.
- MAD (Minimum amount due (calculated as per prescribed norms will be shown separately. MAD cannot be paid through EMI.

- For the unpaid amounts of previous billings, interest free credit period shall not be available.
- These will be captured in billing statements, with clear example will also be captured in Welcome kit & placed in bank's website.
- Late payment charges are not levied if the outstanding amount is less than Rs. 100/-

#### **XV. PAYMENT OF BILL:**

Due date for payment of Bill shall be as per card variants adhering up to 50 days interest free credit period. The Card holder may exercise the option to pay only the Minimum Amount Due (MAD) by the due date indicated in statement. The Minimum Amount Due shall be calculated as per the prescribed norms the outstanding amount or such other amount as prescribed by RBI. In case of any repayment through instalments, the instalment amount due during the statement period will be added to the Minimum Amount Due. If the total outstanding is more than the credit or cash limit, then the amount by which the credit or cash limit has been exceeded will also be included in the Minimum Amount Due. Minimum Amount Due shall also include unpaid Minimum Amount Due of the previous statements, if any. Interest will be charged if the Total Amount Due is not paid by the payment due date even if the Minimum Amount Due has been paid.

The monthly bill statement shall have a notice of "*Making only minimum payment every month would result in the repayment stretching over long periods with consequent interest payment on your outstanding balance*", so as to caution the customers about the implication in paying only minimum amount due.

##### **The card holder will have the following options to make Payment:**

- Pay by cash/ by transfer from Saraswat Bank account at any of the branches through CBS.
- Deposit cheque favoring card number in any of the Saraswat Bank.
- **Auto Debit:** Standing Instruction is available for all the cardholders who hold Bank account with the Saraswat Bank. However, cardholder can opt for either MPD or total amount outstanding.
- Issue standing instruction or Auto debit\* of the account maintained with Saraswat Bank on due date.
- Through Mobile Banking and Internet Banking.
- Make online payment from any Bank account by NEFT/IMPS/ UPI modules etc.
- Payment through PG services from other Bank accounts.

#### **XVI. FAIR PRACTICES IN DEBT COLLECTION:**

A model code of conduct for recovery agencies with the following provisions shall be put in place.

- The Recovery agents are advised to adhere to the extant guidelines on fair practices code while dealing with the cardholders for collection of card dues and also ensure the BCSBI code of Bank's commitment to customers.
- Recovery agencies are advised to adhere to the code of conduct and are strictly instructed not to indulge in any unfair practices and shall not resort to intimidation or harassment of any cardholder, while dealing with cardholders for collection of card dues.
- The Recovery agents are advised to refrain from action that could damage the integrity and reputation of the Bank and that they observe strict customer confidentiality.
- Recovery agents should carry the identification card or letter of authority issued by Bank and shall not adopt uncivilized, unlawful and questionable behavior on recovery process causing reputation loss to the Bank.
- Any complaints from the cardholders against Bank or recovery agents, related with Recovery of dues shall be dealt appropriately.
- 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 agency to the cardholder immediately upon assignment of agency for recovery of overdues.
- Bank shall ensure that the DSAs/DMA/Recovery Agents do not transfer or misuse any customer information during marketing of credit card products.

- Bank shall have a system of random checks and mystery shopping 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.
- A dedicated helpline and email-id shall be made available to the cardholders to raise complaints against any act of mis-selling or harassment by the representative/Recovery Agents of the bank
- All the branches will help the customer to activate their cards and recommend for enhancement of card limit for customers from time to time by sending a communication to Credit Card department.
- Branches/ Department shall make efforts to examine and resolve the complaints and grievances at the earliest.
- Bank shall display the grievance redressal procedure and the details of chief Grievance Redressal Officer on Bank's website.
- Bank shall put in place a system of grievance redressal where customer complaints are first acknowledged, a complaint number is given for reference and necessary steps are taken to ensure closure within turnaround time.
- All complaints received from cardholder over phone / e-mail / post shall be acknowledged and redressed within a reasonable time depending upon the nature of complaint. However, in matters involving inter-Bank disputes, the timelines set by respective networks will be followed.  
To have a concerted approach in dealing with card holders the queries of cardholders shall be categorized into separate categories.

## **XVII. REQUESTS & ENQUIRIES, GRIEVANCES & COMPLAINTS:**

### **➤ Requests and Enquiries:**

Normally, the request & enquiries from the card holders will be as below:

- a. Request for change of address
- b. Enquiries about details of bill
- c. Balance enquiries
- d. Request for statement of account
- e. Report loss of Credit Card
- f. Request for issue of duplicate card/ PIN
- g. Request for up gradation of card or enhancement of credit limit
- h. Request for activation of blocked card

It shall be the endeavor of the Department to ensure that all requests and enquiries received over phone at Help Desk are answered immediately. All requests and enquiries received through emails / post shall be redressed at the earliest.

### **➤ REDRESSAL OF GRIEVANCES:**

- a. Generally, a time limit of 60 (sixty) days may be given to the customers for preferring their complaints / grievances.
- b. All the necessary provisions of customer Grievance Redressal Policy shall be applicable to the Credit Card portfolio also.
- c. Bank will ensure that the Call Centre staff is trained adequately to handle all customer complaints.
- d. Bank will have a mechanism to escalate automatically unresolved complaints from a call center to higher authorities.
- e. The grievance redressal procedure of the Bank and the time frame fixed for responding to the complaints will be placed on the Bank's website. The name, designation, address and contact number of important executives as well as the Grievance Redressal Officer of the Bank may be displayed on the website. There shall be a system of acknowledging customers' complaints for follow up, such as complaint number / docket number.
- f. If a complainant does not get satisfactory response from the Bank within a maximum period of thirty (30) days from the date of his lodging the complaint, he / she will have the option to approach the Office of the concerned Banking Ombudsman for redress of his grievance/s.

## **XVIII. COMPENSATION WITH RESPECT TO FRAUDS:**

The Credit Card Cell shall determine the liability of the customers and compensate them in cases of unauthorized Credit Card transactions as under:

### ➤ **ZERO LIABILITY OF A CUSTOMER:**

A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- a. Contributory fraud/ negligence/ deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- b. Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

### ➤ **LIMITED LIABILITY OF A CUSTOMER:**

A customer shall be liable for the loss occurring due to unauthorized Credit Card transactions in the following cases:

- a. In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank.
- b. In cases where the responsibility for the unauthorized Credit Card transaction lies neither with the bank nor with the customer but lies elsewhere in the system and the customer notifies the bank of such a transaction within four to seven working days of receiving the communication from the bank, the per transaction liability of the customer shall be Rs. 10,000/- or transaction value whichever is lower.

### ➤ **FULL LIABILITY OF A CUSTOMER:**

The entire liability of the unauthorized Credit Card transactions shall be solely on the Customer in following cases:

- a. Customer shall bear the entire loss in cases where the loss is due to negligence by the customer, e.g., customer has lost card, customer has shared payment credentials, Credit card details, Credit Card PIN/OTP or due to improper protection on customer devices like mobile/laptop/desktop leading to malware/ Trojan or Phishing/Vishing attack. This could also be due to SIM deactivation by the fraudster or where the fraudster has gained access to customers Credit Card mobile App/Credit Card web portal because of customer sharing credit card details or OTP. Under such situations, the customer will bear the entire loss until the customer reports unauthorized transaction to the bank.
- b. In cases where the responsibility for unauthorized Credit Card transaction lies neither with the Bank nor with the customer but lies elsewhere in the system and when there is a delay on the part of the customer in reporting to the Bank beyond seven working days after receiving the communication from the Bank regarding unauthorized Credit Card transactions.
- c. The Bank will not be liable for the losses, in cases where the unauthorized Credit Card transaction was successful through the second factor authentication sent to the Customer's registered mobile number. It will be considered as sufficient proof of customer's involvement /consent in effecting the transaction.
- d. Customer should regularly update his/her registered contact details as soon as such details are changed. Bank will only reach out to customer at the last known email/mobile number. Failure of the customer to update the Bank with latest contact details shall be considered as customer negligence. Any unauthorized transaction arising out of this delay shall be treated as customer liability.
- e. Hence, Bank will not be responsible for any unauthorized Credit Card transaction initiated by family members or known members of the cardholder through credit card.

## **XIX. CUSTOMER CONFIDENTIALITY:**

- Bank shall not reveal any information relating to customers obtained at the time of opening the account or issuing the Credit Card to any other person or organization without obtaining their specific consent, as regards the purpose/s for which the information will be used and the organizations with whom the information will be shared. Banks shall give the customer the option to decide as to whether he is agreeable for the Bank sharing with other agencies the information furnished by him at the time of applying for Credit Card. The application form for Credit Card may be suitably modified to explicitly provide for the same. Further, in case where the customer gives his consent for the Bank sharing the information with other agencies, Banks shall explicitly state and explain clearly to the customer the full meaning / implications of the disclosure clause. Banks shall satisfy themselves, based on specific legal advice that the information being sought from them is not of such nature as will violate the provisions of the laws relating to secrecy in the transactions. Banks would be solely responsible for the correctness or otherwise of the data provided for the purpose.
- For providing information relating to credit history / repayment record of the card holder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the Bank may explicitly bring to the notice of the customer that such information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005.
- Before reporting default status of a Credit Card holder to Credit Information Companies which have obtained Certificate of Registration from RBI, Bank shall ensure that a procedure is adhered, duly approved by their Board, including issuing of sufficient notice to such card holder about the intention to report him / her as defaulter to the Credit Information Company. The procedure shall also cover the notice period for such reporting as also the period within which such report will be withdrawn in the event the customer settles his dues after having been reported as defaulter. Banks shall be particularly careful in the case of cards where there are pending disputes. The disclosure / release of information, particularly about the default, should be made only after the dispute is settled as far as possible. In all cases, a well laid down procedure shall be transparently followed. These procedures shall also be transparently made known as part of MITC