



Policy on Debit Card / Co-Branded Debit Card Instrument

History of Revisions

Version	Summary of Revisions	Date of Approval
2	Regulatory change	26-07-2024
1	New Policy	30-06-2022

Table of Contents

1.	Preamble	4
1.1	Objective of the Policy	4
1.2	Scope of the Policy	4
1.3	Definitions	4
2.	Regulatory Framework Applicable Regulations	4
2.1	Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 dated April 21, 2022 (updated on March 7, 2024).....	4
2.2	RBI Circular on Managing Risks and Code of Conduct in outsourcing of financial services by banks dated November 3, 2006	9
2.3	RBI Master Direction - Know Your Customer (KYC) Direction 2016 and its amendments thereto. ...	9
2.4	RBI Notification on Security and Risk Mitigation Measures for Card Present and Electronic Payment Transactions – Issuance of EMV Chip and PIN Cards dated August 27, 2015	9
2.5	RBI Notification on Customer Protection – Limiting Liability of customers in unauthorized electronic banking transactions dated July 06, 2017.....	9
2.6	RBI Notification on enhancing Security of Card Transactions dated January 15, 2020.....	10
2.7	TRAI Regulations on Telecom Commercial Communications Customer Preference Regulations, 2010.	10
2.8	RBI Circular - Electronic Cards for Overdraft Accounts dated April 23, 2020.....	10
3.	ESFB Policy framework.....	11
3.1	Application form.....	11
3.2	Debit Card Variants	11
3.3	KYC/AML/CFT & DPSS	12
3.4	Other Instructions	12
3.5	Key Terms & Conditions	12
3.6	Cash Withdrawal at POS	13
3.7	Security of Cards	13
3.8	Hot Listing/Blocking of cards	14
3.9	Fraud Control Mechanism	14
3.10	Customer Protection.....	14
3.11	Limiting Liability of customers in Unauthorized Electronic Banking Transactions	14

3.12 Grievance Redressal.....	16
3.13 Co-Branded Debit Cards.....	16
3.14 Transaction Limits	18
3.15 Unsolicited commercial communication	18
4. Provisions in policy over and above but in consonance with RBI guide lines - None	19
5. Changes to the Policy	19
6. Periodicity of Review of the Policy.....	19

1. Preamble

1.1 Objective of the Policy

The objective of this Policy is to provide a framework, which will enable Equitas Small Finance Bank Limited to offer a complete range of Debit card solutions to its customers to fulfill their payment needs/services and enable promoting e-Payments resulting in less-cash society.

1.2 Scope of the Policy

- a. This policy will cover the role and responsibilities of Equitas Small Finance Bank Limited (“ESFB” or “the Bank”) in issuance of Debit cards and Co-Branded Debit cards as permitted by RBI.
- b. This policy also enumerates the rights of customers to know the key Terms & Conditions formulated whilst subscribing for a Debit card or Co-branded Debit card.

1.3 Definitions

- a. Issuer:
The Bank will be the Issuer of Debit cards to individuals & organizations that are eligible for receipt of the card.
- b. Holder:
The individuals/organizations who/which receive the Debit card for the purpose of withdrawal of cash through ATMs and for purchasing goods and services, including financial services.
- c. Co-branded organization:
Organizations with which the Bank may tie up for issuing a co-branded Debit card.

2. Regulatory Framework Applicable Regulations

[2.1 Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 dated April 21, 2022 \(updated on March 7, 2024\)](#)

2.1.1 Issue of Debit Card

a) Banks shall formulate a comprehensive debit cards issuance policy with the approval of their Boards and issue debit cards to their customers in accordance with this policy. Prior approval of the Reserve Bank is not necessary for banks desirous of issuing debit cards to their customers. b) Debit cards shall only be issued to customers having Savings Bank/Current Accounts. c) No bank shall issue debit cards to cash credit/loan accounts. However, it will not preclude the banks from linking the overdraft facility provided along with Pradhan Mantri Jan Dhan Yojana accounts or Kisan Credit Card accounts with a debit card. d) Banks shall not force a customer to avail debit card facility and shall

not link issuance of debit card to availment of any other facility from the bank. (Clause 14 of the circular)

2.1.2 Other Form Factors

(a) Card-issuers may issue other form factors in place of/in addition to a plastic debit card such as wearables, after obtaining explicit consent from the customer. (b) Form factors shall be subject to all the specific and general guidelines applicable to the respective cards. (c) Card-issuers shall provide options for disabling or blocking the form factor in line with the instructions issued by the Reserve Bank from time to time. (Clause 16 of the circular)

2.1.3 General Conditions

(a) Card-issuers 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.

(b) 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.

(c) With a view to reducing the instances of misuse of lost/stolen cards, it is recommended to the card-issuers that they may consider issuing cards with advanced features that may evolve from time to time.

(d) In case card-issuers, at their discretion, decide to block/deactivate/suspend a debit card, it shall be ensured that a standard operating procedure is followed as approved by their Board. Further, it shall also be ensured that blocking/deactivating/suspending a card or withdrawal of benefits available on any card is immediately intimated to the cardholder along with reasons thereof through electronic means (SMS, email, etc.) and other available modes.

(e) Card-issuers shall block a lost card immediately on being informed by the cardholder and formalities, if any, can follow within a reasonable period clearly defined in the Board approved policy.

(f) Card-issuers shall provide to the cardholder the detailed procedure to report the loss, theft or unauthorised use of card or PIN. They shall provide 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.

(g) Card-issuers shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.

(h) No card-issuer shall dispatch a card to a customer unsolicited. In case of renewal of an existing card, the cardholder shall be provided an option to decline the same if he/she wants to do so before dispatching the renewed card. Further, in case a card is blocked at the request of the cardholder, replacement card in lieu of the blocked card shall be issued with the explicit consent of the cardholder.

(i) Any discounts, cashbacks, reward points, loyalty points or any other benefits offered by the card-issuer shall be provided in a transparent manner including the source of such benefits. The accounting process for the same shall be verifiable in the books of the card-issuer. Detailed information regarding these benefits shall be displayed on the website of the card-issuer and a copy of the same shall also be provided to the cardholder.

(j) In case of an insurance cover provided with a card, card-issuers 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. (Clause 23 of the circular)

2.1.5 Terms and conditions for issue of cards to customers

(a) The relationship between the card-issuer and the cardholder shall be contractual. Card-issuers 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.

(b) 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.

(c) Card-issuers 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 card-issuer's website.

(d) The convenience fee, if any charged on specific transactions, shall be indicated to the cardholder in a transparent manner, prior to the transaction.

(e) 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.

(f) The terms may be altered by the card-issuer, 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.

(g) 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.

(h) The terms shall specify that the card-issuer shall exercise care when issuing PINs or codes and shall be under an obligation not to disclose the cardholder's PIN or code to anyone, except to the cardholder. (Clause 24 of the circular)

2.1.8 Compliance with other instructions

The issue of debit cards as a payment mechanism would also be subject to relevant guidelines on cash withdrawal, issue of international debit 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 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. (Clause 25 of the circular)

2.1.10 Review of operations

Banks shall undertake review of their operations/issue of debit cards on half-yearly basis. The review shall include, inter-alia, card usage analysis including cards not used for long durations and the inherent risks therein. (Clause 16 of the circular)

2.1.12 Redressal of grievances

(a) Card-issuers 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 card-issuer 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. Specific timelines may be stipulated in the Board approved policy for issuance of cards, redressal of grievances and compensation framework. The grievance redressal procedure and the Board approved policy shall be displayed on the website of the card-issuer with a clearly visible link on the homepage.

(b) Card-issuers shall ensure that their call centre staff are trained adequately to competently handle and escalate, a complaint, if necessary. 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.

(c) Card-issuers 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 card-issuer and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from the card-issuer within a maximum period of 30 days from the date of lodging the complaint, he/she will have the option to approach the Office of the RBI Ombudsman under Integrated Ombudsman Scheme for redressal of his/her grievance/s. (Clause 26 of the circular)

2.1.13 Co-branding arrangement/ Issue of Co-branded Cards

(a) Prior approval of the Reserve Bank is not necessary for the issuance of co-branded debit cards/co-branded prepaid cards by banks and co-branded credit cards by card-issuers subject to conditions stipulated. In addition to the conditions listed herein, the co-branding arrangement for credit cards, debit cards and prepaid cards shall also be subject to the specific conditions applicable to such cards.

(b) The co-branded 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 card-issuer shall be clearly shown.

(c) The co-branded card shall prominently bear the branding of the card-issuer. (Clause 17 of the circular)

2.1.13.1 Board approved policy

The co-branding arrangement shall be as per the Board approved policy of the bank. The policy should specifically address issues pertaining to the various risks associated with such an arrangement

including reputation risk and put in place suitable risk mitigation measures. Further, the information relating to revenue sharing between the card-issuer and the co-branding partner entity shall be indicated to the cardholder and also displayed on the website of the card-issuer. (Clause 18 of the circular)

2.1.13.2 Due diligence

Banks should 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. Banks 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. (Clause 19 of the circular)

2.1.13.3 Role of co-branding partner entity

The role of the co-branded partner 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. The co-branding partner (CBP) shall not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the CBP shall not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of cardholder's convenience, card transaction related data may be drawn directly from the card-issuer's system in an encrypted form and displayed in the CBP's platform with robust security. The information displayed through the CBP's platform shall be visible only to the cardholder and shall neither be accessed nor be stored by the CBP. (Clause 21 of the circular)

Co-branding with card-issuers

Prior approval shall not be required by all the banks and NBFCs registered with the Reserve Bank (NBFCs – ICC, HFC, Factor, MFI, and IFC) to become a co-branding partner of card-issuers. The role of the co-branding partner shall be as per the conditions stipulated under para 21 of the Master Direction.

2.1.14 Confidentiality of customer information

(a) Card-issuers shall not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining their explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared. Card-issuers shall ensure strict compliance with the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information provided by them with other agencies, card-issuers shall clearly state and explain to the customer the full meaning/implications of the disclosure clause. The information sought from customers shall not be of such nature which will violate the provisions of law relating to maintenance of secrecy in the transactions. The card-issuers shall be solely responsible for the correctness or otherwise of the data provided for the purpose.

(b) 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 card-issuer's secrecy obligations.

(c) Card-issuers, which were granted specific approvals for issuance of co-branded cards in the past, are advised to ensure that the co-branding arrangement is in conformity with the instructions issued. In case, the co-branding arrangement is between two banks, the card issuing bank shall ensure compliance with the relevant instructions. (Clause 27 of the circular)

2.1.15 Outsourcing of various services

Card-issuers shall ensure adherence to the [Master Direction DoS.CO.CSITEG/SEC.1/31.01.015/2023-24 dated April 10, 2023 on 'Outsourcing of Information Technology Services'](#) and guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services', as amended from time to time. Further, the card-issuers shall not share card data (including transaction data) of the cardholders with the outsourcing partners unless sharing of such data is essential to discharge the functions assigned to the latter. In case of sharing of any data as stated above, explicit consent from the cardholder shall be obtained. It shall also be ensured that the storage and the ownership of card data remains with the card-issuer.

2.2 RBI Circular on Managing Risks and Code of Conduct in outsourcing of financial services by banks dated November 3, 2006

2.2.1 Outsourcing of activities

The card-issuing bank would be liable for all acts of the co-branding partner. The bank has a Board approved Outsourcing of Financial Services Policy, and the Bank will ensure adherence to the same whilst onboarding of Co-branding partner.

2.3 RBI Master Direction - Know Your Customer (KYC) Direction 2016 and its amendments thereto.

The instructions/guidelines on KYC/AML/CFT applicable to banks, issued by RBI from time to time, will be adhered to in respect of all debit cards issued, including co-branded debit cards.

Bank has a Board Approved policy on KYC/AML, which should be adhered to while onboarding debit card and co-branded debit card customers.

2.4 RBI Notification on Security and Risk Mitigation Measures for Card Present and Electronic Payment Transactions – Issuance of EMV Chip and PIN Cards dated August 27, 2015

All new domestic debit cards and co-branded debit cards issued by the bank should be with EMV Chip and Pin based.

2.5 RBI Notification on Customer Protection – Limiting Liability of customers in unauthorized electronic banking transactions dated July 06, 2017.

The instructions on Customer Protection applicable to banks, issued by RBI from time to time, should be adhered to in respect of all debit cards issued, including co-branded debit cards.

The Bank has a Board approved policy on “Customer Compensation”, which should be adhered to while redressing the complaints raised by the customers.

2.6 RBI Notification on enhancing Security of Card Transactions dated January 15, 2020.

At the time of issue / re-issue, credit cards should be enabled for use only at contact-based points of usage [viz. ATMs and Point of Sale (PoS) devices] within India. Bank either as a debit card issuer or as a co-branded debit card issuer should provide cardholders a facility for enabling card not present (domestic and international) transactions, card present (international) transactions and contactless transactions.

The Bank should provide to all cardholders:

- 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.

In the case of co-branded credit card issuances, where the responsibility lies with the co-branded partner, the Bank should ensure adherence to the above clauses by incorporating the same in the legal agreement.

2.7 TRAI Regulations on Telecom Commercial Communications Customer Preference Regulations, 2010.

“Unsolicited commercial communication or UCC” means any commercial communication that is neither as per the consent nor as per registered preference(s) of recipient, but should not include:

- a. Any transactional message or transactional voice call;
- b. Any service message or service voice call;
- c. Any message or voice calls transmitted on the directions of the Central Government or the State Government or bodies established under the Constitution, when such communication is in Public Interest;
- d. Any message or voice calls transmitted by or on the direction of the Authority or by an agency expressly authorized for the purpose by the Authority.

Banks should ensure adherence to the TRAI regulation on Unsolicited Commercial Communication for all types of debit card issuances including co-branded debit cards.

2.8 RBI Circular - Electronic Cards for Overdraft Accounts dated April 23, 2020.

Banks have been permitted to issue debit cards to customers having Savings Bank/Current Accounts but not to cash credit/loan account holders. In this connection, it has been decided to permit banks to issue electronic cards to natural persons having Overdraft Accounts that are only in the nature of personal loan without any specific end-use restrictions.

Prior to launching the product, the banks should frame a Board approved policy on issuance of electronic cards to above mentioned Overdraft Accounts, encompassing appropriate risk management, periodic review procedures, grievance redressal mechanism, etc., which will be subject to supervisory review.

The card should be issued subject to instructions on terms and conditions, security, grievance redressal, confidentiality of customer information as applicable for debit cards and all other relevant instructions on card operations issued by the Reserve Bank.

The Bank will formulate a Policy, on launch of the product.

2.9 [Cash withdrawal using Point of Sale \(PoS\) Terminals dated January 31, 2020.](#)

It has been decided that the requirement of obtaining permission from the RBI be dispensed with and that henceforth, banks may, based on the approval of their Board, provide cash withdrawal facility at PoS terminals. The designated merchant establishments may be advised to clearly indicate / display the availability of this facility along with the charges, if any, payable by the customer. (Clause 2)

3. ESFB Policy framework

3.1 Application form

The debit card application will form part of the Account Opening Form (AOF) and the customer will have the option of subscribing to the card either at the time of account opening or subsequently. The debit card application form will be available at all the branches or can be downloaded from the Bank's portal. Besides, the customer will also be able to submit debit card issuance request through Internet Banking site, Mobile Banking application and at Bank's Business Correspondent (BC) points.

3.2 Debit Card Variants

3.2.1 The Bank will issue various variants of debit cards including co-branded debit cards based on the segmentation of the customers. The Bank will issue both domestic and international debit cards (subject to adherence to FEMA directives) in tie up with various network partners like Rupay, VISA, MasterCard, etc. As per FEMA guidelines, the restricted list of Merchant Category Code (MCCs) will be updated in the core system (Switch) from time to time. System (Switch) will be enabled to decline transactions if any, put through by the restricted MCCs.

3.2.2 To promote electronic usage of cards, the Bank will come out with various offers/ discounts/ vouchers / coupons associated with the Debit card variants to encourage Point of Sale (POS) transactions /E-com spends, subject to adherence to regulatory guidelines.

3.2.3 The Bank will offer domestic and international debit cards to all its customers other than for NRO accounts. For NRO account holders, only domestic debit cards will be issued.

3.2.4 Debit card variants will be issued with charges for its issuance and usage as per the segmentation done internally subject to the regulatory threshold or guidelines, if any, prescribed by RBI. In terms of regulatory guidelines, the Bank does not charge for cards issued to 'Basic Savings Bank Deposit Account '(BSBDA).

3.2.5 The Bank will not force a customer to avail debit card facility and will not link issuance of debit card to avancement of any other facility from the bank.

3.2.6 The Bank will issue other form factors in place of/in addition to a plastic debit card such as wearables only after obtaining explicit consent from the customer.

3.2.7 The Bank will never ask the customer to share his/her OTP, UPI PIN, ATM PIN, MPIN, Passwords, Debit Card Number, CVV, Card Expiry date or any other sensitive data over phone or by way of clickable link.

3.3 KYC/AML/CFT & DPSS

Debit card issuance and usage will be subject to the Bank's policy on KYC / AML/ CFT norms updated from time to time.

3.4 Other Instructions

The Bank will comply with the Department of Payment and Settlement Systems (DPSS) instructions on security, risk mitigation, failed ATM transactions, card-to-card fund transfers, Merchant Discount Rate (MDR) structures etc. and instructions issued by the Foreign Exchange Department, Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended from time to time, besides complying with guidelines issued by RBI from time to time.

3.5 Key Terms & Conditions

3.5.1 The Bank will issue the cards only on receipt of filled-in application form through either offline or online modes.

3.5.2 i) The Bank will issue debit cards to customers having Savings Bank / Current Accounts.

ii)The Bank will not offer debit cards in respect of cash credit / loan accounts.

3.5.3 The Bank will not dispatch any unsolicited cards to the customer except in case of a replacement card where the existing card is nearing expiry or in the event of cards being reported as lost / stolen. In case of renewal of an existing card, the cardholder will be provided an option to decline the same if he/she wants to do so before dispatching the renewed card. Further, in case a card is blocked at the request of the cardholder, a replacement card in lieu of the blocked card will be issued with the explicit consent of the cardholder.

3.5.4 All charges and fees will be communicated to customers at the time of onboarding through appropriate channels and website. Prior due notice of change in terms and

conditions will be communicated through various channels as defined by RBI / Code of Commitment to Bank's Customer.

- 3.5.5** The terms will clearly specify the time period for reversal of unsuccessful/failed transactions and the compensation payable for failure to meet the specified timeline.
- 3.5.6** The terms may be altered by the Bank, but 30 days' notice of the change will 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 will be notified to the cardholder through all the communication channels available.
- 3.5.7** PIN management advisory will be part of the terms & conditions of Debit card product of the Bank.
- 3.5.8** The process of blocking the card in the event of loss or theft will be provided in the information leaflet as also the details of the call center and online card blocking process.
- 3.5.9** The Bank will also notify the responsibilities for any direct losses incurred by the cardholder due to system malfunction directly within the Bank's control.
- 3.5.10** The Bank's management will review operations/issue of debit cards on a continuous basis. The review may include, inter-alia, card usage analysis including cards not used for long time and steps to be taken to educate customers on the benefit of card usage.
- 3.5.11** The Bank will advise the cardholder to notify the Bank immediately after becoming aware:
 - a. Of the loss or theft or copying of the card or the means which enable it to be used;
 - b. Of the recording on the cardholder's account of any unauthorized transaction; and
 - c. Of any error or other irregularity in the maintaining of that account by the Bank.
- 3.5.12** The Bank will maintain internal records for 8 years after the relationship has ended.

3.6 Cash Withdrawal at POS

Cash withdrawal at Point of Sale (POS) will be enabled in the Debit card as per the extant RBI guidelines issued from time to time.

3.7 Security of Cards

The Bank will issue EMV (leading standard for card security) chip and PIN compliant Debit cards only to its customers to ensure card integrity. Card transactions are secured by two-factor authentication. The Bank will also introduce technology-driven card variants like contactless debit cards, etc. Online / electronic commerce transactions are further secured by one-time passwords (OTPs) communicated over registered mobile number. Customers issued with debit cards but without a registered mobile number will be able to perform only ATM cash withdrawals or PoS transactions at physical merchant outlets. As an enhanced feature, SMS alerts for debit card declined transactions and limit modifications will be provided by the Bank.

3.8 Hot Listing/Blocking of cards

The Bank will provide various modes like Branches, Call Centers, Internet Banking, Mobile Banking, etc. through which the debit cards will be either hot listed / blocked or even blocked temporarily. While branches can be accessed during working hours, other modes can be accessed any time - 24*7.

The process for blocking the card, dedicated helpline as well as the SMS numbers, will be adequately publicized and included in the billing statements. The Bank will immediately send a confirmation to the cardholder subsequent to the blocking of a card.

The Bank will follow the Board-approved SOP while deciding to block/deactivate/suspend a debit card. Further, the Bank will also ensure that blocking/deactivating/suspending a card or withdrawal of benefits available on any card is immediately intimated to the cardholder along with reasons thereof through electronic means (SMS, email, etc.) and other available modes.

3.9 Fraud Control Mechanism

On every transaction made through debit card, an SMS alert is sent notifying the customer immediately. The Bank will explore options such as email alerts in addition to existing SMS notification. Customers will be enabled to temporarily and permanently block the card and alter limits directly using self-service channels like mobile and internet banking. This apart, customers will be provided the facility to either call up the call center or go to the nearest branch to request for blocking the debit card. Customers will be advised periodically through multiple means not to disclose passwords / PIN / OTP / Debit Card number/ CVV with anyone.

3.10 Customer Protection

3.10.1 Lost Card Liability

This will cover transactions at merchant outlets and online portals on lost/ stolen cards as per the limit up to 30 days pre-reporting and 7 days post-reporting. Coverage on Lost Card Liability will be payable only on PIN based transactions.

The Claim process will include the following:

- a. Police Acknowledgement of any kind / First Information Report
- b. Letter to bank branch giving details of the issue

3.11 Limiting Liability of customers in Unauthorized Electronic Banking Transactions

3.11.1 The Bank will have suitable processes and robust systems to ensure safety and security of electronic banking transactions and timely detection / mitigation of fraudulent transactions. The liability of a customer in various situations is indicated below:

- a. A customer will have zero liability if;

- i. The fraud / negligence or deficiency is on the part of the Bank (irrespective of transaction being reported by the customer or not)
 - ii. A third-party breach where the neither the Bank nor the customer is responsible for the deficiency but lies in the system and the customer notifies the Bank of the anomaly in the transaction within 3 days after receipt of the transaction alert from the Bank.
- b. If the customer notifies the Bank of anomaly in the transaction after 3 days but within 7 days after receipt of transaction alert from the Bank, the liability of the customer will be limited for a third-party breach where the neither the Bank nor the customer is responsible for the deficiency but lies in the system. The liability will be as indicated in the table below:

Table	
Maximum Liability of a Customer	
Type of Account	Maximum liability (f) (Rs.)
• BSBD Accounts	5,000
All other SB accounts <ul style="list-style-type: none"> • Pre-paid Payment Instruments and Gift Cards • Current/ Cash Credit/ Overdraft Accounts of MSMEs • Current Accounts/ Cash Credit/ Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/ limit up to Rs.25 lakh 	10,000
• All other Current/Cash Credit/ Overdraft Accounts • Credit cards with limit above Rs.5 lakh	25,000

- c. The customer will be completely liable to bear the entire loss in cases where the loss is due to the negligence of the customer wherein he has shared the password / PIN, until the unauthorized transaction is reported to the Bank.
- d. The customer will be fully liable where the date of reporting is beyond 7 days from the date of the transaction. However, the Bank may, with the approval of senior management, waive off the liability of the customer partly or fully. While considering the waiver, the Bank will take into account the overall relationship value, personal exigencies of the customer and any other reasonable grounds leading to delay in reporting.

3.11.2 Settlement of customer liability

- a. The Bank will credit the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any).
- b. The Bank may also decide to waive off any customer liability partly or fully in case of unauthorized electronic banking transactions including cases of customer negligence with approval at a senior level as may be defined by the management, on a case-to-case basis.

3.12 Grievance Redressal

Customer complaints and grievances will be handled through multiple channels such as Branch, Call-Centre and self-service channels (Internet / Mobile banking).

The contact details (Branch or the Principal Nodal Officer of the Bank) of the Help Desk and escalation process of complaints will be provided on the Bank's website.

The Bank has a separate Customer Grievance Redressal Policy to address Customer Complaints, Grievances and Redressal through service delivery.

The grievance redressal procedure and the Board approved policy will be displayed on the website of the Bank with a clearly visible link on the homepage. The Grievance Redressal process will have a provision for automatic escalation of unresolved complaints from a call center/base level to higher authorities. There will be a system of acknowledging customers' complaints for follow up, such as complaint number/docket number, even if the complaints are received over phone. The Bank will 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.

3.13 Co-Branded Debit Cards

3.13.1 Co-Branded Debit cards are issued in alliance with other Institutions/Corporates, etc. The logo of the partnering institution will be affixed along with the Bank's logo on the fascia of the card. The co-branding arrangement will be based on mutual business potential and benefit and all such co-branding arrangements are to be approved by the Product Committee of the Management. The co-branding arrangement with Entity/ Institutions/Corporates will be with the approval of the appropriate authority, wherever required.

3.13.2 Due Diligence

The Bank will carry out due-diligence of the institution before signing up for the co-branding arrangement. The Bank will engage with only institutions/entities after ascertaining various risks like reputational, operational, etc. to safeguard the Bank's interest. In terms of RBI guidelines, whenever the Bank enters into tie-up with a financial institution for co-branding arrangement, it will be ensured that the financial entity has an approval from the concerned regulators.

Role of the Co-Branding Institution/entity:

The role of the co-branding institution/entity will be limited to Marketing / Distribution of the debit cards and for providing access to the cardholders for the goods/services offered by co-branding partner. The Bank will not advertise/market the co-branded card as its own product. In all marketing/advertising material, the name of the card-issuer will be clearly shown. The co-branding partner (CBP) will not have access to information relating to transactions undertaken through the co-

branded card. Post issuance of the card, the CBP will not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of the cardholder's convenience, card transaction related data may be drawn directly from the card-issuer's system in an encrypted form and displayed in the CBP's platform with robust security. The information displayed through the CBP's platform will be visible only to the cardholder and will neither be accessed nor be stored by the CBP.

3.13.3 Confidentiality:

The Bank will ensure complete confidentiality of the customer's details/transactions. The Bank, except with the prior consent of the customer, will make no private or confidential information about the customers or their transactions accessible to the co-branding institution/entity.

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

For co-branded debit cards issued in the past, the Bank will ensure that the co-branding arrangement is in conformity with the instructions issued.

3.13.4 Risk Mitigation: As a Card-issuer, the Bank will 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 reputation risk.

Various risks associated with such an arrangement and measures put in place to mitigate them are given below. The Bank will also take suitable risk mitigation measures for risks arising due to further co-branding arrangements.

SI No	Risk Areas on Co-Branding arrangement	Risk Mitigants
1	Reputation Risk: Failure to conduct due diligence of the co-branding partner entity.	The Bank will carry out due diligence in respect of the co-branding partner entity with which they intend to enter into tie-up for issuance of such cards to protect themselves against reputation risk.
2	Operational Risk: Due to inadequate capacity or technology failure	Due diligence measures involving evaluation of financial soundness and the ability to service commitments even under adverse conditions will be undertaken.
3	Legal Risk: Includes but is not limited to exposure to fines, penalties or punitive charges resulting from this arrangement	Tie up/arrangement activity to adequately address legal issues arising out of this arrangement.
4	Contractual Risk: Inability to enforce the contract	The arrangement undertaken will be with a legally binding written document, duly vetted by the legal advisor for legal implications.

5	Compliance Risk: Privacy, Consumer laws and regulatory guidelines not adequately complied. Has inadequate compliance systems and controls.	Access to customer information by the staff would be considered as violation of contractual obligation. Periodical reviews and monitoring of the security practices, due diligence will be carried out.
---	---	---

Further, the information relating to revenue sharing between the card-issuer and the co-branding partner entity will be indicated to the cardholder and also displayed on the website of the Bank.

3.14 Transaction Limits

The transaction limits will be complied with, according to guidelines issued by RBI from time to time.

The following terms & conditions will be clearly communicated to the customer:

- i) All charges & fees that will be associated with the instrument.
- ii) Expiry period, terms, and conditions on expiration of instrument.
- iii) Procedure to be followed in the event of loss / theft of cards.
- iv) Customer service contact numbers, email IDs, website etc. will be prominently mentioned.
- v) Various offers as applicable from time to time.

3.15 Unsolicited commercial communication

The Bank will adhere to guidelines issued on “Unsolicited Commercial Communications–National Customer Preference Register (NCPR)” and comply with directions/ regulations issued by the Telecom Regulatory Authority of India (TRAI) from time to time while engaging telemarketers.

3.16 Review of operations

The Bank will undertake review of its operations/issue of debit cards at least on a half-yearly basis. The review will include, inter-alia, card usage analysis including cards not used for long durations and the inherent risks therein.

3.17 Confidentiality:

The Bank will not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining their explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared. The Bank will ensure strict compliance with the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information provided by them with other agencies, the Bank will clearly state and explain to the customer the full meaning/implications of the disclosure clause.

The information sought from customers will not be of such nature which will violate the provisions of law relating to maintenance of secrecy in the transactions. The Bank will be solely responsible for the correctness or otherwise of the data provided for this purpose.

4. Provisions in policy over and above but in consonance with RBI guide lines - None

5. Changes to the Policy

Clauses 2.1.1, 2.1.2, 2.1.3 (d), 2.1.3 (h), 2.1.12(c), 2.1.13.3, 2.1.14 (a), 2.1.14 (c), 2.1.15, 3.2.6, 3.5.2 (ii), 3.5.3, 3.8, 3.13.2 and 3.17.

6. Periodicity of Review of the Policy

The Board will review this policy within 18-24 months of the previous review or at such intervals as may be required considering regulatory and business exigencies.

Author of the Policy	Branch Banking
Reviewer of the Policy	Compliance
Name of Committee which recommended to the Policy Formulation Committee of the Board	Executive Policy Formulation Committee
Date of Board Approval	26-07-2024
Date of Next Review	25-07-2026