



COMPREHENSIVE DEBIT CARD ISSUANCE POLICY

FY 2022-23

Version 1.0

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ADMINISTRATIVE OFFICE

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Policy Information	
Title of Policy	COMPREHENSIVE DEBIT CARD ISSUANCE POLICY
Authors	THE VARACHHA CO.OP.BANK LTD., SURAT (Short Name in Policy VARACHHABANK)
Approval Process	
Authorizing Person	Board of Directors
Resolution No.	22
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Policy Review				
Title of Policy		COMPREHENSIVE DEBIT CARD ISSUANCE POLICY		
Version	Resolution No.	Meeting Date	Review By	Approved By
1.0	22	09.05.2022	AGM IT	BOD

1. Preamble:

This policy is based on RBI Master Direction No. RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 April 21, 2022 on Credit Card and Debit Card – Issuance and Conduct Directions, 2022. These Directions shall be effective from **July 01, 2022**.

2. Applicability:

(i). The provisions of these Directions relating to debit cards shall apply to our bank since we issue “RUPAY DEBIT CARDS” to our customers.

(ii). These directions cover the general and conduct regulations relating to debit cards which shall be read along with prudential, payment and technology & cyber security related directions applicable to debit cards as issued by above said Master Directions.

3. Definitions:

In these Directions, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:

(i). Add-on Card means a supplementary card to the principal or primary card, issued to person/s with predefined relationship with the primary cardholder and liability of the latter, subject to such terms and conditions as stipulated by our Bank.

(ii). Cardholders means A person to whom a card is issued or one who is authorized to use an issued card.

(iii). The Issuer means our Bank which issue debit cards.

(iv). Card Loyalty/Reward Programme/s are those schemes linked to a debit card whereby our Bank or associated merchant establishments, upon use of the card/s, offer digital coupons, points, discounts, cash backs or other benefits having monetary value that can be used/redeemed for the same transactions or other future transactions after accumulation.

(v). Debit Card is a physical or virtual payment instrument containing a means of identification, linked to a Saving Bank/Current Account which can be used to withdraw cash, make online payments, do PoS terminal/Quick Response (QR) code transactions, fund transfer, etc. subject to prescribed terms and conditions.

(vi). Form Factor is the physical or virtual instrument that can be used in place of a card to undertake a payment/banking transaction.

(vii). Renewal contemplates the issuance of a new card on account of expiry of an existing card and replacement includes issuance of a new card in place of an existing card in lieu of the change in the underlying account relationship, upgradation due to new technology or systems or re-issuance of cards that have been lost, blocked or suspended temporarily, but does not include the opening of a new account after a previous account was closed.

4. Issue of Debit Card by Our Bank:

(i) We have formulated this comprehensive debit cards issuance policy with the approval of the Board and issue debit cards to our customers in accordance with this policy. Prior approval of the Reserve Bank is not necessary for our bank desirous of issuing debit cards to our customers.

(ii) Debit cards shall only be issued to customers having Savings Bank/Current Accounts.

(iii) We shall NOT issue debit cards to cash credit/loan account holders.

(iv) Our Bank 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.

5. Review of Operations: Our bank shall undertake review of our 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.

6. Co-Branding Arrangement: Our bank shall not issue debit/credit cards in tie-up with other non-bank entities.

7. General Guidelines for Debit Cards:

(A) General Conditions:

(i) Our 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 such as the bank SMS.

(iii) With a view to reducing the instances of misuse of lost/stolen cards, we may consider issuing card with advanced features that may evolve from time to time.

(iv) Our Bank shall block a lost card immediately the customer via sent a SMS from his/her registered mobile number.

(v) Our Bank shall provide to the cardholder the detailed procedure to report the loss, theft or unauthorised use of card or PIN. Our Bank shall provide multiple channels such as a dedicated helpline (+91 9586644644), dedicated number for SMS (+91 91335 74000), 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.

(vi) Our Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.

(vii) Our Bank shall NOT dispatch a card to a customer unsolicited. 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, our Bank shall obtain explicit consent of the cardholder prior to the renewal of an existing card.

(viii) Discounts, cashbacks, reward points, loyalty points or any other benefits offered by our Bank/NPCI 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 our Bank. Detailed information regarding these benefits shall be displayed on the website of our Bank.

(ix) In case of an insurance cover provided with a card, our 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.

(B). Terms and conditions for issue of cards to customers:

(i) The relationship between our Bank and the cardholder shall be contractual. Our 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 both the parties.

(ii) 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 Gujarati) comprehensible to the cardholder.

(iii) Our 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 our Bank's website.

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

(v) 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.

(vi) The terms may be altered by our 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.

(vii) 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.

(viii) The terms shall specify that our Bank 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.

(C). Compliance with Other instructions: The issue of cards as a payment mechanism shall also be subject to relevant instructions on cash withdrawal, 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, as amended from time to time.

(D). Redressal of Grievances (Complaints):

(i) Our 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 our Bank shall be mentioned on the 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 our Bank with a clearly visible link on the homepage.

(ii) Our Bank shall ensure that our 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.

(iii) Our 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 our Bank and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from our 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.

(E). Confidentiality of Customer Information: Our Bank 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. Our Bank shall ensure strict compliance to the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information with other agencies, our Bank shall explicitly state and explain clearly 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. Our Bank shall be solely responsible for the correctness or otherwise of the data provided for the purpose.

(F). Outsourcing of Various Services: Our 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.

(G). Compliance with Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation under the PMLA, 2002. Further, the instructions/Directions on KYC/AML/CFT issued by RBI from time to time, shall be strictly adhered to in respect of all cards issued.

(8). Miscellaneous:

Contents of the Most Important Terms and Conditions (MITC): Our Bank shall provide to the cardholder the term-sheet containing the MITC. The document should contain the following details:

(a). Fees and Charges:

- (i). Joining fees for primary cardholder and for add-on cardholder/s: NIL (First Issuance)
- (ii). Annual fees for primary and add-on cardholder/s : 150/- + GST.
- (iii). Service charges levied for transactions: No transaction charges levied for POS / Ecom transaction.

(b). Drawal Limits:

- (i). Daily Cash withdrawal limit: 40000/-
- (ii). Daily Transaction limit by Transfer: /- 100000/- (Internal ATM Transfer)
- (iii). Daily POS Purchase / Ecom Transaction limit: 100000/-

(c). Termination/Revocation of Card:

- (i). Procedure for surrender/closure of card by cardholder: Customer need to fill-up the Form and need to submit to bank branch.
- (ii). Link provided exclusively for the above on the website:
<https://www.varachhabank.com/pages/atm-services/>
- (iii). Contact details for the cardholder to initiate closure: Dedicated telephone number for SMS (+91 91335 74000) and Toll Free Number (1800 258 7750) for further help.
- (iv). Bank is not allowing Debit Card transaction in Dormant accounts.

(d). Loss/Theft/Misuse of Card:

- (i). Procedure to be followed in case of loss/theft/ misuse of card - mode of intimation to our Bank: To block the card customer need to send a SMS from his/her registered mobile number e.g. VARA LOST A/C No. to bank mobile number +91 9133574000.
- (ii). Prominently visible web-site link, SMS, e-mail, a dedicated ATM helpline, reporting to home branch, etc. for reporting unauthorised transactions and initiating blocking of card.
- (iii). Liability of cardholder in case of (i) above in terms of RBI circular ref. DBR.No.Leg. BC.78/09.07.005/2017-18 dated July 6, 2017 on 'Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions' as updated from time to time.

(e). Grievance Redressal and Compensation Framework:

- (i). Grievance Redressal and escalation process
- (ii). Timeline for Redressal of Grievances
- (iii). Compensation framework for unsuccessful/failed transactions, delay in redressal of grievance, delay in closing of account/blocking of lost or stolen cards, etc.
- (iv). Contact particulars of our Bank - 24-hour call centres, email-ids, helpline, other important telephone numbers of customer care services, contact details of Grievance Redressal Official.
- (v) Available insurance cover, if any, for cardholder and date of activation of policy including nomination details.

Our bank has separate Customer Service & Grievance Redressal Policy, Customer Compensation policy and Customer Protection Policy.

Ref. Customer Service & Grievance Redressal Policy

Ref. Customer Compensation policy

Ref. Customer Protection Policy

(f). Disclosure: Type of information relating to cardholder to be disclosed with and without approval of cardholder.

(9). Disclosure of the MITC: Items to be disclosed in stages:

(a) During marketing - Item no: 8(a) above

(b) At application - Key fact statement containing items from 8 (a & b) above and any additional information that the customer may desire.

(c) Welcome kit - Item nos: all items from 8 above

(d) On an ongoing basis, any change of the terms and conditions

(e) The font size of MITC shall be minimum Arial-12. The normal terms and conditions communicated by our Bank to the cardholder at different stages shall continue as hitherto.

(10). Exemptions and Interpretations:

(i). Exemptions:

The Reserve Bank of India may, if it considers necessary for avoiding any hardship or for any other just and sufficient reason, grant extension of time to comply with or exempt any Regulated Entities, from all or any of the provisions of these Directions either generally or for any specified period, subject to such conditions as the Reserve Bank of India may impose.

(ii). Interpretations:

For the purpose of giving effect to the provisions of these Directions, the Reserve Bank of India may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the Reserve Bank of India shall be final and binding on all the parties concerned.

For THE VARACHHA CO-OP BANK LTD., SURAT

General Manager/CEO

Chairman