

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No. 1061

TO BE ANSWERED ON 4th DECEMBER, 2015 (FRIDAY)/AGRAHAYANA 13, 1937
(SAKA)

**Law for Credit Cards
Question**

1061. SHRI CHANDRAKANT KHAIRE:
SHRIMATI SAKUNTALA LAGURI:

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government has any proposal to frame rules/law to check the misuse of debit/ATM card in purchasing or other unauthorized transactions if it is lost;
- (b) If so, the details thereof;
- (c) If not, the details of the rules/laws formulated by the Government in this regard;
- (d) Whether the signature of the debit card holder taken on the purchase receipt of the items, is not checked on the basis of debit card and if so, the details thereof; and
- (e) The corrective measures taken by the Government in this regard?

Answer

**The Minister of State in the Ministry of Finance
(SHRI JAYANT SINHA)**

(a) to (e):- Reserve Bank of India (RBI) through its Master Circular dated 01/12/2015 (available on its website www.rbi.org.in) has issued consolidated instructions/guidelines on credit card, debit cards/pre-paid card operations of banks. The said instructions contain detailed terms under which a debit card may be issued, inter-alia, advising banks as under:-

- The terms shall put the cardholder under an obligation to take all appropriate steps to keep safe the card and the means (such as PIN or code) which enable it to be used.

-The terms shall put the cardholder under an obligation 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.

- The terms shall specify that the bank shall be responsible for direct losses incurred by a cardholder due to a system malfunction directly within the bank's control. However, the bank shall not be held liable for any loss caused by a technical breakdown of the payment system if the breakdown of the system was recognizable for the cardholder by a message on the display of the device or otherwise known. The responsibility of the bank for the non-execution or defective execution of the transaction is limited to the principal sum and the loss of interest subject to the provisions of the law governing the terms.

Further, With a view to reducing the instances of misuse of lost/stolen cards, banks may consider issuing cards with photographs of the cardholder or any other advanced methods that may evolve from time to time.
