



IDFC FIRST Bank Limited

Fair Practice Code - Credit Card Policy

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IDFC FIRST Bank

Fair Practice Code for Credit Card Operations

1. Preamble

1.1. This is a voluntary code, adopted by IDFC FIRST Bank for the operations of their Credit Cards. It is expected that this Fair Practice Code will act as a benchmark service standard in their dealings with individual customers. The code is expected to help the credit card users in knowing their rights and also measures they should take to protect their interests. This code is being made available on the IDFC FIRST Bank website, for free access by IDFC FIRST Bank customers and for the general public.

The covenants of this code will supplement and will not replace those applicable under Banker's Fair Practice Code recommended by RBI, BCSBI standards, Indian Banks' Association and adopted by the credit card issuing members/institutions.

About this code

1.2. As a voluntary document, the code promotes competition and encourages market forces to achieve higher operating standards to benefit customers. In the Code, '**You**' denotes the credit card customer and '**We**' the credit card issuer. The standards of the Code are governed by the four key commitments detailed in Section 2. Unless stated otherwise, all parts of this code apply to all the credit card products and services of IDFC FIRST Bank, whether we provide them across the counter, over the phone, on the Internet or by any other method.

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

2. Key Commitments

We promise to:

2.1. Act fairly and reasonably in all our dealings with you by:

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

2.2. Help you to understand how our credit card products and services work by giving you the following information in simple language:

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

2.3. Deal quickly and effectively with your queries and complaints by:

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

2.4. Publicize this code, by making it available for public access on our website and make copies available for you upon request.

3. Information

(To help you choose products and services, which meet your needs)

3.1. Before you become a credit card customer, we will:

- Give you information explaining the key features of our credit card product including applicable fees and charges
- Advise you what information/documentation we need from you to enable us to issue the credit card to you. We will also advise you what documentation we need from you with respect to your identity, address,

employment etc., and any other document that may be stipulated by statutory authorities (e.g. PAN details), in order to comply with legal and regulatory requirements

- Verify the details mentioned by you in the credit card application by contacting you on your residence and / or business telephone numbers and / or physically visiting your residence and/or business address through the agencies appointed by us for this purpose, if deemed necessary by us.

3.2. While you apply for a credit card from us, we will explain the relevant terms and conditions such as fees and interest charges, billing and payment, renewal and termination procedures and any other information that you may require to operate the card.

3.3. We will advise you of our targeted turnaround time while you are availing or applying for a product/service.

3.4. We will facilitate you to know the relevant reason for application rejection if any.

3.5. We will keep our website updated with the detailed product descriptions, schedule of charges applicable, Most Important Terms and Conditions (MITC), Card member agreement and other relevant information with respect to usage of your credit card.

3.6. We will advise you of our contact details such as contact telephone numbers, postal address, website/e-mail address to enable you to contact us whenever you need to.

3.7. If you do not recognize a transaction which appears on your credit card statement, we will give you more details on request. In some cases, we may need your cooperation to get us confirmation or evidence that you have not authorized a transaction. If you believe that an error has occurred in the statement, you should promptly inform us in writing (so that the same is received by us within 30 days of the date of statement in which the transaction under dispute was charged and not later than 60 days from the date of transaction). The operating rules applicable under the Credit Cards Scheme impose time limits on reporting disputed transactions. If you do not report / inform us within the above time, it would make it difficult for us to gather information about the transactions and this may work to

your disadvantage. It is therefore advisable to notify us of any disputed transactions immediately upon receipt of the statement of account. This includes any disputes regarding reward points (if applicable) allocated to the card account.

3.8. We will inform you, through our card member agreement of the losses on your account that you may be liable if your card is lost/misused

3.9. In cases where we are offering any insurance cover to you, in tie-up with insurance

companies, we may consider obtaining in writing/online from you the details of nominee/s for the insurance cover in respect of accidental death and disablement benefits. We may ensure that the relevant nomination details are recorded by the Insurance Company. We may also consider issuing a letter to you indicating the details

regarding the name, address and telephone number of the Insurance Company which

will handle the claims relating to the insurance cover.

3.10. Add-on cards i.e., those that are subsidiary to the principal card, may be issued

with the clear understanding that the liability will be that of the principal cardholder. Similarly, while issuing corporate credit cards, the responsibilities and liabilities of the corporate and its employees may be clearly specified.

3.11. The Most Important Terms and Conditions (MITCs) termed as standard set of

conditions will be highlighted and advertised/sent separately to you at all the stages i.e., during marketing, at the time of application, at the acceptance stage (welcome kit) and in important subsequent communications.

4. Tariff (Fees/Charges/Interest)

4.1. You can find our schedule of common fees and charges (including interest rates) by:

- Referring to the Most Important Terms and Conditions (MITC) available on the website
- Calling up on customer service numbers, or
- Referring to “Schedule of Charges” on our website

- 4.2. When you become a customer, we will provide you information on the fees & charges, and the interest rates applicable on your credit card and we will charge the same to your credit card account, if applicable.
- 4.3. We will explain how we apply interest to your account on request. However, the MITC document contains details of the method of interest calculation.
- 4.4. When we change our tariff (Interest rate or other fees/charges) on our credit card products, we will update the information on the IDFC FIRST Bank mobile app and website and will make the information available at our telephone helpline.
- 4.5. We will publicize through our website and other means, the interest rates charged to various categories of customers. We also upfront indicate to you, the methodology of calculation of finance charges with illustrative examples, particularly in situations where a part of the amount outstanding is only paid by you. Further, we will adhere to the following guidelines relating to interest rates and other charges on credit cards
- 4.6. We ensure that there is no delay in dispatching bills and the customer has sufficient number of days (at least one fortnight) for making payment before the interest starts getting charged. In order to obviate frequent complaints of delayed billing, we may consider providing bills and statements of accounts online, with suitable security measures.
- 4.7. We quote Annualized Percentage Rates (APR) on card products (separately for retail purchase and for cash advance, if different). The method of calculation of APR will be given with a couple of examples for better comprehension. The APR charged and the annual fee will be shown with equal prominence.
- 4.8. The late payment charges, including the method of calculation of such charges and the number of days, will be prominently indicated. The manner in which the outstanding unpaid amount will be included for calculation of interest should also be specifically shown with prominence in all monthly statements. Even where the minimum amount indicated to keep the card valid has been paid, it will be indicated in bold letters that the interest will be charged on the amount due after the due date of payment. These aspects may be shown in the Welcome Kit in addition to being shown in the monthly statement. A legend/notice to the effect that **"Making only the minimum payment every month would result in the repayment stretching over years with consequent interest payment on your outstanding balance"** will be prominently displayed in all the monthly statements so as to caution you about the pitfalls in paying only the minimum amount due.
- 4.9. We also step up their efforts on educating the cardholders of the implications of paying only 'the minimum amount due'. The "Most Important Terms and

Conditions” will specifically explain that the ‘free credit period’ is lost if any balance of the previous month’s bill is outstanding. For this purpose, we work out illustrative examples and include the same in the Welcome Kit sent to you and also place it on their website.

- 4.10. We follow uniform method of determining over-due status for credit card accounts while reporting to credit information companies and for the purpose of levying penal charges viz., late payment charges, etc., if any, as issued in terms of RBI circular DBOD.No.BP.BC.78/21.04.048/2013-14 dated December 20, 2013, as amended from time to time.
- 4.11. We will not levy any charge that was not explicitly indicated to you at the time of issue of the card and without getting your consent. However, this would not be applicable to charges like service taxes, etc. which may subsequently be levied by the Government or any other statutory authority.
- 4.12. The terms and conditions for payment of credit card dues, including the minimum payment due, will be stipulated so as to ensure that there is no negative amortization.

5. Changes in our tariff

- 5.1. When we change our tariff (interest rate or other fees/charges) on our credit card products, we will update the information on our telephone helpline/website.
- 5.2. Changes in charges (other than interest) may be made only with prospective effect giving notice of at least one month. If you desire to surrender your credit card on account of any change in credit card charges to your disadvantage, you may be permitted to do so without levying any extra charge for such closure. Any request for closure of a credit card has to be honored immediately by us, subject to full settlement of dues by the cardholder.

6. Wrongful billing

- 6.1. We ensure that wrong bills are not raised and issued to you. In case, you protest any bill, we will provide explanation and, if necessary, documentary evidence may also be provided to you within a maximum period of sixty days with a spirit to amicably redress the grievances.

7. Terms and conditions for issue of cards to customers

- 7.1 We will not dispatch a card to a customer unsolicited, except in the case where the card is a replacement for a card already held by the customer.
- 7.2 The relationship between the bank and the card holder shall be contractual.
- 7.3 We will make available to you in writing, a set of contractual terms and conditions governing the issue and use of such a card. These terms shall maintain a fair balance between the interests of the parties concerned.

- 7.4 The terms will be expressed clearly.
- 7.5 The terms shall specify the basis of any charges, but not necessarily the amount of charges at any point of time.
- 7.6 The terms shall specify the period within which your account would normally be debited.
- 7.7 The terms may be altered by us, but sufficient notice of the change shall be given to the you to enable to withdraw if you choose so. A period shall be specified after which time the you would be deemed to have accepted the terms if you have not withdrawn during the specified period.
- 7.8 The terms shall put you 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.
- 7.9 The terms will put the you 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.
- 7.10 The terms shall put the you under an obligation to notify the us immediately after becoming aware:
- of the loss or theft or copying of the card or the means which enable it to be used;
 - of the recording on your account of any unauthorized transaction; and
 - of any error or other irregularity in the maintaining of that account by the bank.
- 7.11 The terms shall specify a contact point to which such notification can be made. Such notification can be made at any time of the day or night.
- 7.12 The terms shall specify that we will exercise care when issuing PINs or codes and shall be under an obligation not to disclose your PIN or code, except to the you.
- 7.13 The terms shall specify that the we will be responsible for direct losses incurred by you due to a system malfunction directly within our control. However, the we will 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 you by a message on the display of the device or otherwise known. Our responsibility 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.

8. Marketing Ethics

8.1 Field Personnel

- Our sales representatives will identify themselves when they approach you for selling card products.

- We have prescribed a [code of conduct](#) for our Channel Partners whose services we may avail to market our credit card products.
- In the event of receipt of any complaint from you that our representative has engaged in any improper conduct, we shall take appropriate steps to redress the complaint.
- When we outsource the various credit card operations, we will be extremely careful that the appointment of such service providers does not compromise with the quality of the customer service and our ability to manage credit, liquidity and operational risks. In the choice of the service provider, we will be guided by the need to ensure confidentiality of your records, respect your privacy, and adhere to fair practices in debt collection.
- We ensure that the DSAs engaged by us for marketing their credit card products scrupulously adhere to the Code of Conduct for Credit Card operations which will be displayed on our website and be available easily to any credit card holder.

8.2 Telemarketing

- If our tele-marketing staff/agents contact you on the phone for selling any of our credit-card products or with any cross-sell offer, the caller will identify himself/herself and inform you that he/she is calling on our behalf.
- Our tele-marketing agents will not call those customers who have registered with us in the "Do Not Call" registry.

9. Issuance of credit Card/PIN

9.1. We will dispatch your credit card via courier/post only to the mailing address mentioned by you. Alternatively, we may deliver your credit card at our branches which maintain your banking accounts(s) under due intimation to you as an exception.

9.2. PIN (Personal Identification Number) associated with your card can be generated via the IDFC FIRST Bank App or on our Net Banking by yourself on receipt of the card.

10. Account Operations

Credit card statements

10.1. To help you manage your credit card account and check details of purchase/cash drawings using the credit card, we will offer you a facility to receive credit card transaction details via your monthly credit card statement. You will also

be able to view your card statement within the IDFC FIRST Bank App & Net Banking once it is generated.

10.2. In the event of non-receipt of this information, we expect you to get in touch with us so that we can arrange to resend the details to enable you to make payment and highlight exception if any in a timely manner.

10.3. We will let you know / notify changes in schedule of fees and charges and terms and conditions. Normally, changes (other than interest rates and those which are a result of regulatory requirements) will be made with prospective effect giving sufficient notice.

Protecting your account

10.4. We will advise you what you can do to protect your credit card from misuse.

10.5. In the event your credit card has been lost or stolen, or that someone else knows your PIN or other security information, we will, on your notifying us, take immediate steps to try to prevent these from being misused, subject to operating regulations and law in force. We will be able to take necessary action only if you intimate to us about the loss of your card, hence we would request your cooperation in this regard.

Processing activities at our end

10.6. We may allow processing of credit cards related activities including operations and cross selling to third party agencies that we consider appropriate for these purposes.

11. Confidentiality of Account Details

11.1. We will treat all your personal information as private and confidential (even when you are no longer a customer). We will not reveal transaction details of your accounts to a third party, including entities in our group, other than in the following exceptional cases when we are allowed to do –

- if we have to give the information by law or by a mandate from any regulatory authority
- If there is a duty toward the public to reveal the information
- If our interests require us to give the information (e.g. to prevent fraud) but we will not use this as a reason for giving information about you or your

accounts (including your name and address) to anyone else, including the other companies of our group, for the purpose of marketing.

- If you ask us to reveal the information, or if we have your permission to provide such information to our group entities, associate entities or companies with whom we may have tie-up arrangements for providing other financial service products.

11.2. We will not reveal any information relating to you 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. The application form for credit card must explicitly provide for consent the same. Further, in case where you give your consent for us for sharing the information with other agencies, we will explicitly state and explain clearly to you the full meaning/ implications of the disclosure clause. The information being sought from you will not be of such nature as will violate the provisions of the laws relating to secrecy in the transactions. We would be solely responsible for the correctness or otherwise of the data provided for the purpose.

11. 3. The disclosure to the DSAs/recovery agents should also be limited to the extent that will enable them to discharge their duties. Personal information provided by you but not required for recovery purposes should not be released by us. We also ensure that the DSAs/DMAAs do not transfer or misuse your information during marketing of credit card products.

12. Collection of dues

Our bank's dues collection policy is built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long-term relationships. Our staff or any person authorized to represent us in collection of dues or/and security repossession will identify himself/herself and interact with you in a civil manner. We will provide you with all the information regarding dues and will give sufficient notice for payment of dues. Our staff/agents are governed by Model Code for Collection of Dues and Repossession of Security issued by Indian Banks' Association.

12.1. In the matter of recovery of dues, we and agents will ensure to adhere to the extant instructions on Fair Practice Code for lenders

12.2. In particular, in regard to appointment of third-party agencies for debt collection, it will be ensured that such agents refrain from action that could

damage the integrity and reputation of the bank and that they observe strict customer confidentiality. All letters issued by recovery agents will contain the name and address of a responsible senior officer of the card issuing bank whom the customer can contact at his location.

- 12.3. Banks/their agents will not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude the privacy of the credit card holders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations
- 12.4. The banks should also ensure to comply with the extant guidelines in respect of engagement of recovery agents issued by RBI, as amended from time to time.

13. Reporting to Credit Information Companies (CICs)

- 13.1 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.
- 13.2 Before reporting default status of a credit card holder to a Credit Information Company which has obtained Certificate of Registration from RBI and of which the bank is a member, bank will ensure that they adhere to a procedure, 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 will 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. Bank will be particularly careful in the case of cards where there are pending disputes. The disclosure/release of information, particularly about the default, will be made only after the dispute is settled as far as possible. In all cases, a well laid down procedure should be transparently followed. These procedures should also be transparently made known as part of Most Important Terms and Conditions (MITCs).

14. Redressal of Grievances

14.1. Redressal of your complaints internally

- You can call our 24X7 customer care numbers or write to us or email us, and our staff will resolve all your queries related to your credit card. In case you are not being satisfied with the response you could seek an escalation to the next level bank officer/ manager. In the rare event that you are still not satisfied you can call us / write to the grievance cell within the bank. The contacts details for all the above contact points are available separately in our MITC and on the IDFC FIRST Bank website for your reference.
- Our complaint handling procedure is displayed on our website, along with the time-frame for responding to your complaints and escalation process etc.

14.2. Banking Ombudsman Service and other avenues for redressal

Within 30 days of lodging a written complaint with us, if you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach the Banking Ombudsman appointed by the Reserve Bank of India under Integrated Ombudsman Scheme, 2021.

15. Termination of Credit Card

15.1. You may terminate your credit card by giving notice to us and by following the procedure laid down by us in our card membership agreement and MITC after clearing outstanding dues, if any.

15.2. We may terminate your credit card, if in our opinion, you are in breach of the cardholder membership agreement, we shall keep you informed through the designated communication channels in case such a situation arises.

16. Scheme guidelines and regulations

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

17. Feedback and Suggestions

Please provide feedback on our services through the Customer Services section on IDFC FIRST Bank website. Your suggestions will help us to improve our services.

18. Issue of unsolicited cards/facilities

18.1. Unsolicited cards should not be issued. In case, an unsolicited card is issued and activated without the written consent of the recipient and the latter is billed for the same, then the bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed.

18.2. In addition, the person in whose name the card is issued can also approach the Banking Ombudsman who would determine the amount of compensation payable by the bank to the recipient of the unsolicited card as per the provisions of the Integrated Ombudsman Scheme, 2021, i.e., for loss of complainant's time, expenses incurred, harassment and mental anguish suffered by him.