



## IDFC FIRST Bank Limited

### Credit Card Policy

Version : **1.2**

Approval Date : **July 29, 2023**

#### Revision History

Version	Revision Date	Revised by	Revision Description
1.0	31-10-2021	Policy Owner	First Version
1.1	31-10-2022	Policy Owner	Annual Review
1.2	29-07-2023	Policy Owner	Schedule of charges for the new product updated in annexure

## **IDFC FIRST Bank Limited Credit Card Policy – Extract from Policy on Issuance (including Co-branding arrangements) of Cards/Prepaid Instrument**

While undertaking the banking business, IDFC FIRST Bank is required to adhere to various RBI guidelines and circulars issued from time to time. RBI has issued Master Direction – Credit card and Debit card (Issuance and Conduct Direction, 2022) on 21st April 2022.

In order to document the requirements of RBI the policy has been aligned accordingly.

### **Issuance and conduct of Credit Cards:**

Key aspects with reference to issuance and conduct of credit cards are covered in the following documents:

- The Board has constituted Product Approval Committee (“PAC”) and the committee has been delegated to ensure that new products/ variants are introduced/ approved in the Bank as per the Product Approval Framework. Issuance of Credit Cards is as per the product note approved by the Product Approval Committee. The PAC committee ensures that all necessary regulations and statutory obligations are complied with for product issuance.
- Credit Risk for issuance and monitoring is covered under the Credit Policy Note approved by Business Risk and Central Risk team as per the approved DOA
- Operational aspects relating to Credit Card product are covered in relevant Standard Operating Procedure documents approved by ORM and Compliance teams
- With Specific reference to some key obligations detailed in the above-mentioned RBI Master Direction of 21<sup>st</sup> April 2022:
  - Credit Risk and Limit assignment framework is covered in the Policy document approved by Business Risk and Central Risk team as per the DOA approved by Board.
  - Procedure for reporting of statuses to Credit Information Companies/Credit Bureaus is as contained in the Standard Operating Procedure document detailing the processes followed by the Bank for generation and submission of Credit Bureau reports to Credit Information Companies (CICs). Further, defaulting customers will be sent prior communication **before reporting as per the notice period indicated in the circular.**
  - Similar procedures will be adopted for all other regulatory reporting (including reporting of defaults and SMA status to RBI as part of the weekly default reporting/ CRILC reporting etc.) in accordance with extant regulatory directives, credit card accounts will be reported as ‘past due’ only when the account remains ‘past due’ for more than three days from the payment due date communicated to the borrowers.

### **Pricing Policy:**

The pricing policy and construct thereof will henceforth be as per guidance from ALCO for meeting margin benchmarks. The current schedule of charges is listed in Annexure for ratification, as prescribed in recent RBI Master Direction on Issuance and conduct of Debit and Credit cards, April '22

Schedule of Charges (including Processing fees and other charges as applicable) for Credit Cards will be as approved by the Business Head from time to time.

Under clause 9 (a) of the above-mentioned RBI Master Direction it is stipulated that *Card-issuers shall also prescribe an interest rate ceiling in line with other unsecured loans, including processing and other charges, in respect of credit cards as part of their Board approved policy.* In line with the same, current ceiling defined for Credit Card Interest rates is as follows:

- Interest Rate on Purchases, Cash Advances and outstanding and overdue balances, EMI and other installment and card loan products - Upto 48% per annum

**Other important points:**

- a. The Bank is not required to obtain prior approval of the Reserve Bank towards issuance of co-branded debit/credit cards.
- b. The co-branded debit/credit card shall explicitly indicate that the card has been issued under a cobranding 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 and the Bank shall adequately inform customer on the arrangement.
- d. Co-branded Debit card arrangement shall follow PAC process to ensure compliance to all regulatory requirements. Similarly, co-branded Credit Cards will also be governed by processes detailed in the PAC process, to be compliant.

Product teams will ensure any new co-branded arrangement meets all necessary guidelines revised by RBI under master directions issued on 21st April 2022.

**Controls on Issuance:**

- The services are to be offered only to those customers in whose case proper KYC procedures have been followed.
- Customer confidentiality needs to be maintained at all time.
- Outsourcing guidelines to be adhered while engaging and maintaining relationship with co-branding partners

**Credit Cards Risk Controls:**

- Risk Controls and mitigants relating to Credit Card Product and operations are covered in relevant policy/ product notes/ SOPs defined by the Bank and
- Review of credit card operations on half-yearly basis by the Audit Committee of the Board of Directors as prescribed in the Master Circular

**Debit and Credit Cards Security and Risk Mitigants:**

The Bank products are duly approved by compliance, Risk and FRM teams to ensure security and risk is taken care. Further, Bank shall regularly review the processes and any observation shall be reported to Risk, FRM for further guidance and tracked till closure. The detailed risk and Mitigants shall be covered in the respective PAC note.

**Blocking of Cards:**

- The Bank will block a lost card immediately on being informed by the cardholder. The Bank's card holders can block card using mobile banking application or net banking or by calling Banker on call and Bank blocks the card immediately once request is received.
- The Bank will provide cardholder the detailed procedure to report loss, theft or unauthorized use of card or PIN. The Bank provides multiple channels to customer to block the card through Banker on call, Mobile application, net banking and through dedicated SMS. The Bank has also provided this information on the website and shall publicize to customers through engagements.
- The Bank will immediately send card blocking confirmation to customer subsequent of receipt of request and necessary action.

**Customer Dispute Resolution**

The Bank shall follow all RBI and network guidelines in term of customer query resolution and abide by TAT defined by them. The debit and Credit card Grievance Redressal shall be part of the Banks' overall Grievance Redressal Policy.

**Customer Education on debit and credit cards**

The Bank shall educate customer on usage of cards and keep them informed on any new threat. This shall be done on regular basis and may be done vide SMS broadcast, emailers or marketing campaigns.

## Annexure

### Schedule of charges for Credit Cards as on 15<sup>th</sup> July 2023:

Charge Type	IDFC FIRST Bank Card Variant	Charges
Joining fees/ Annual Fees/ Renewal Fees	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST WOW! Credit Card	NIL
	FIRST Private Credit Card	Rs.50,000 Joining Fee Rs.50,000 Annual Fees for Y2 Onwards
	FIRST Power Credit Card	Rs.199 Joining Fee Rs. 199 Annual Fee
	FIRST Power + Credit Card	Rs. 499 Joining Fee Rs. 499 Annual Fee
	Club Vistara IDFC FIRST Credit Card	Rs. 4999 Joining Fee Rs. 4999 Annual Fee
Add-On Card Fees	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST WOW! Credit Card FIRST Power Credit Card FIRST Power + Credit Card Club Vistara IDFC FIRST Credit Card	NIL
	FIRST Private Credit Card	1st Add-on:NIL, 2nd Add-on onwards: `4,000 per Add-on
Image Personalisation (Picture Card) Fees	Rs. 499 (Image personalization feature is not applicable on FIRST Private credit card, Club Vistara IDFC FIRST credit card, FIRST Power credit card and FIRST Power + credit card)	
Interest (Finance Charges)	FIRST Millennia Credit Card FIRST Classic Credit Card	Monthly Rate - 0.75% - 3.5% Annual Rate - 9% - 42%

	FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST WOW! Credit Card FIRST Power Credit Card FIRST Power+ Credit Card Club Vistara IDFC FIRST Credit Card	
	FIRST Private Credit Card	Monthly Rate - 0.75% Annual Rate - 9%
Overdue Interest Charges	Monthly Rate - 3.99% Annual Rate - 47.88%	
Cash Advance Charges	Rs 199 per instance	
Late Payment Charges	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST WOW! Credit Card FIRST Power Credit Card FIRST Power+ Credit Card Club Vistara IDFC FIRST Credit Card	15% of Total Amount Due (Min Rs.100 and upto Rs 1,250)
	FIRST Private Credit Card	NIL
Over Limit Charges	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST Power Credit Card FIRST Power+ Credit Card Club Vistara IDFC FIRST Credit Card	2.5% of overlimit amount (Min Rs.500)
	FIRST WOW! Credit Card	NA NIL

	FIRST Private Credit Card	
Card Replacement Fee	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Select Credit Card FIRST Wealth Credit Card Employee Credit Card FIRST WOW! Credit Card FIRST Power Credit Card FIRST Power+ Credit Card Club Vistara IDFC FIRST Credit Card	Rs.100
	FIRST Private Credit Card	Rs.4000
	Image Personalised card replacement	Rs.149
Reward Redemption Fee	Rs 99 per redemption request	
Forex mark-up	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST Power Credit Card FIRST Power+ Credit Card	3.5%
	Club Vistara IDFC FIRST Credit Card	2.99%
	FIRST Select Credit Card Employee Credit Card	1.99%
	FIRST Wealth Credit Card	1.5%
	FIRST WOW! Credit Card FIRST Private Credit Card	NIL
Return of cheque/Auto Debit/ Payment return	Rs 250 per instance	
Fuel Surcharge waiver will be applicable on fuel transactions value of Rs. 200 to Rs. 5000	FIRST Power Credit Card	1% fuel Surcharge Waiver up to – Rs.100 per statement cycle
	FIRST Millennia Credit Card FIRST Classic Credit Card FIRST WOW Credit Card	1% of transaction value Surcharge Waiver upto – Rs.200 per statement cycle

	FIRST Power+ Credit Card	
	FIRST Select Credit Card Employee Credit Card	1% of transaction value Surcharge Waiver upto – Rs.300 per statement cycle
	FIRST Wealth Credit Card	1% of transaction value Surcharge Waiver upto – Rs.400 per statement cycle
	FIRST Private Credit Card	1% fuel Surcharge Waiver with no capping
	Club Vistara IDFC FIRST Credit Card	NA
Rent and Property Management [MCC 6513]	1% fee on total transaction amount.	
EMI Fees	1% of transaction value (Min Rs 99)	
Balance Transfer Fees	1% of transaction value (Min Rs 99)	
Finance charges on EMI and other installment products	18% per annum for post purchase EMI including balance conversion, 14% per annum for Merchant EMI, 16% per annum for Balance Transfer EMI	

GST @ 18% will be applicable on all fees, interest and other charges.