

**PRESS RELEASE**



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**RESERVE BANK OF INDIA**

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**Dealing with Customer Complaints of Credit Cards:  
RBI asks banks to be more sensitive to customer complaints:  
IBA to evolve a Code of Conduct for Credit Card Issuing Banks**

At a meeting of banks issuing credit cards held today, by the Reserve Bank of India in Mumbai, it was decided that the Indian Banks' Association along with some large credit cards issuing banks will evolve a code of conduct to be voluntarily adopted by the banks issuing credit cards. The meeting was held in the wake of significant concerns that had arisen of late in regard to credit card operations of banks. The Reserve Bank also stressed on the need for the card issuing banks to educate the customers on their rights and duties relating to credit cards.

The Reserve Bank of India had, of late, been receiving a large number of complaints from various organisations, associations, media and members of the public against credit card issuing banks. The complaints centred round harassment of customers, receiving unsolicited cards, wrongful activation of cards, lack of transparency in levying service charges/other charges and absence of an effective grievance redressal machinery. The focus of today's meeting was, therefore, on examining all those issues so that customers grievances could be resolved and complaints against credit card operations of banks were redressed and minimised.

The banks assured the Reserve Bank that they had systems in place to check the level of service rendered by DSAs and also had mechanism for redressal of customer grievances. They, however, pointed out that it was difficult to prevent sale of databases in the absence of any strict privacy laws in the country which in turn made it difficult to control unsolicited calls.

The Reserve Bank of India reiterated that the banks issuing credit cards to be more receptive to customer complaints and constitute proper grievance redressal cells in their banks to mitigate the hardships caused to the credit card customers. Banks were also advised to issue appropriate code of conduct to Direct Selling Agents (DSAs) marketing their credit card products and cautioned to preemptive steps to prevent avoidable litigations.

To mitigate the customer hardships in this area, the Reserve Bank had recently also set up a Working Group for evolving a regulatory mechanism for credit cards. The Working Group would, among other things, suggest the type of regulatory measures which are required for plastic cards so as to encourage their

growth in a safe, secure and efficient manner; to recommend measures to be introduced to ensure that the rules, regulations, standards and practices of the card issuers are in alignment with the best customer practices; to draw a road map of setting up a grievance redressal mechanism for the card user and to educate the customers about their rights and duties. The Reserve Bank has also requested members of public to send their suggestions on these areas to [cardsgroupdit@rbi.org.in](mailto:cardsgroupdit@rbi.org.in)

It may be recalled that the Governor, Reserve Bank of India, in his Mid-term Review of the Annual Policy of 2004-2005 in October, 2004, had announced the setting up of a Working Group for regulatory measures for credit cards.

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