

RBI issues new rules for Debit/ credit cards

RBI has directed banks to allow only domestic card transactions at ATMs and PoS terminals in India at the time of issuance/reissuance of card.

The new rules for debit and credit cards to increase security and reduce frauds kick in from Monday. In January, the Reserve Bank of India (RBI) had issued new rules to improve user convenience and increase the security of card transactions. These rules will help in curbing the misuse of debit and credit cards.

RBI has directed banks to allow only domestic card transactions at ATMs and PoS terminals in India at the time of issuance/reissuance of card. For international transactions, online transactions, card-not-present transactions and contactless transactions, customers will have to separately set up services on their card.

Rules applicable for ‘new’ cards

These rules will be applicable for new cards from March 16. Those with old cards can decide whether to disable any of these features.

As per the existing rules, these services used to come automatically with the card, but now it will start at the request of the customer.

Debit or credit card customers who have not yet done any online transaction, contactless transaction or international transaction with the card, then these services on the card will automatically stop from March 16.

The Reserve Bank has asked all banks to provide mobile banking, net banking option to enable limit and enable and disable service 24 hours a day, seven days a week.

If the customer makes any change in the status of the card, the bank will alert the customer through SMS/email and send the information.

Issuers shall provide to all cardholders facility to switch on/off and set/modify transaction limits (within the overall card limit, if any, set by the issuer) for all types of transactions — domestic and international, at PoS/ATMs/online transactions/contactless transactions, etc.,

The provisions, however, are not mandatory for prepaid gift cards and those used at mass transit systems.