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DEBIT CARD ISSUANCE POLICY

Life Insurance Corporation of India
Staff Co-operative Urban Bank Ltd No.3314

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1. Introduction

1.1 As per RBI Master Directions RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 dated April 21, 2022 'Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022, the Banks is required to formulate a comprehensive debit cards issuance policy with the approval of the Board and issue debit cards to the customers in accordance with this policy. This policy puts in place the guidelines that shall be followed by LIC of India Staff Co-operative Urban Bank Ltd in offering debit cards to customers. The policy shall be displayed on the website of the Bank with a clearly visible link on the homepage.

1.2 **Definitions:** In this policy unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below —

- Debit Card is a physical or virtual payment instrument containing a means of identification, linked to a Saving Bank/Current Account which can be used to withdraw cash, make online payments, do PoS terminal/Quick Response (QR) code transactions, fund transfer, etc. subject to prescribed terms and conditions
- Cardholders – A person to whom a card is issued or one who is authorized to use an issued card.
- Card Loyalty/Reward Programme/s are those schemes linked to debit card whereby the Bank or associated merchant establishments, upon use of the card/s, offer digital coupons, points, discounts, cash backs or other benefits having monetary value that can be used/redeemed for the same transactions or other future transactions after accumulation.
- Convenience Fee is a fixed or pro-rata charge on use of debit cards as one of the alternative forms of payment which is not ordinarily accepted vis-à-vis other forms of payment.
- Form Factor is the physical or virtual instrument that can be used in place of a card to undertake a payment/banking transaction.

2. Eligibility

2.1 Debit card shall be a value-added service offered by LIC of India Staff Co-operative Urban Bank Ltd and the following accounts / customers shall be eligible for availing the debit card facility:

- All **Savings Accounts** except those with specific mode of operations like 'All Jointly', 'Former or Survivor', 'Illiterate Holder Accounts' etc.
- Some Savings Account schemes like Minor Accounts, NRO Accounts shall be provided with Debit Card with limited / restricted usage access which will be specifically defined across every product scheme. Individual and Proprietor **Current Accounts** shall be provided with Debit cards.
- Debit cards shall only be issued to customers having Savings Bank/Current Accounts. The Bank shall not issue debit cards to cash credit/loan account including overdraft Accounts. However, it will not preclude the Bank from linking the overdraft facility provided along with Pradhan Mantri Jan Dhan Yojana accounts (as and when this scheme is made available by the Bank) with a debit card.

2.2 Banks shall not force a customer to avail debit card facility and shall not link issuance of debit card to availment of any other facility from the bank.

2.3. **Term Deposits** (Fixed as well as Recurring) shall not be issued any Debit Cards.

2.4 Bank does not discriminate issuance of debit cards to customers belonging to third gender.

2.5 Any inclusions / exclusions with regards to issuance of Debit cards to various product schemes will be reviewed and updated in this policy / communicated as addendum to this policy from time to time.

3. Types of Debit Cards

3.1 Bank has presently partnered with Rupay and Visa networks for issuance of Debit Cards. The bank shall issue debit cards to customers eligible on the basis of choice of product enrolled for by the customer / customer profile / accounts restrictions, etc. and based on the request made by the customer.

4. Charges

4.1 Bank may levy charges for Issuing / Renewal / Annual Maintenance / Usage of Debit Card by customers for Cash withdrawal (On Us/Issuer) Transactions through ATM, Transaction at Point of Sale (PoS) and On-Line payment by use of Debit Card subject to Regulatory Guidelines/ Government of India.

Charges shall be levied as per the 'Schedule of Charges' updated on the Bank's website, subject to regulatory guidelines of RBI/ Government of India. Bank shall not levy any charges that were not explicitly indicated to the card holder at the time of issue of the card and without getting his /her explicit consent. However, this shall not be applicable to charges like service taxes which may subsequently be levied by the government or any other statutory authority. The details of all the charges associated with Debit Cards shall be displayed on the Bank's website.

The convenience fee, if any charged on specific transaction, shall be indicated to the card holder in a transparent manner, prior to the transaction.

The terms may be altered by the bank, but 30 days' notice of the change shall be given to the card holder to enable him/her to withdraw if he/she so chooses. After the notice period of 30 days, the card holder would be deemed to have accepted the terms if he/she has not withdrawn during the specified period. The change in terms shall be notified to the card holder through all communication channels available.

5. Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation under the PMLA, 2002

Debit cards shall be issued only to the Bank's existing account holders and all such accounts shall be KYC/ AML/ CFT compliant. The instructions/Directions on KYC/AML/CFT issued by RBI from time to time, shall be strictly adhered to in respect of all cards issued.

6. Application Process

While applying for new savings or current accounts, the applicant shall indicate whether he/ she requires a debit card. A debit card shall be handed over/ sent by post to only those customers who have indicated their consent.

If existing account holders who have not taken a debit card at the time of account opening wish to apply for one at any later date, then they shall be required to fill up and submit the debit card application form at their Base Branch. While applying for the Debit Card Mobile Number is mandatory.

7. Terms and Conditions for issuance of the card

7.1 Debit cards shall be offered to customers strictly upon his / her request and the Bank shall not dispatch a card to any customer unsolicited, except for re-issuance of card upon expiry of the card already held by the customer at an interval of 7 years or the period for which the last card was issued. In case a card is blocked at the request of the customer, replacement card in lieu of the blocked card shall be issued with the explicit consent of the customer. Further, the Bank shall obtain explicit consent of the cardholder prior to the renewal of an existing card.

7.2 The relationship between the Bank and the card holder shall be contractual.

7.3 The terms of issuance of the card shall be expressed clearly and unambiguously in simple language comprehensible to the cardholder. The Bank shall make available to the cardholders in writing, a set of contractual terms and conditions governing the issue and use of such cards.

7.4 The terms shall specify the basis for any charges, but not necessarily the amount of charges, at any point of time. The Bank shall not levy any charge that was not explicitly indicated to the cardholder at the time of issue of the card and without getting his/her explicit consent. However, this shall not be applicable to charges like service taxes which may subsequently be levied by the Government or any other statutory authority. The details of all the charges associated with cards shall be displayed on the Bank's website. The convenience fee, if any charged on specific transactions, shall be indicated to the cardholder in a transparent manner, prior to the transaction.

7.5 The terms shall specify the period within which the cardholder's account would normally be debited.

7.6 The terms may be altered by the Bank, but 30 days' notice of the change shall be given to the cardholder to enable him / her to discontinue the facility if he / she so chooses. After the notice period of 30 days, the cardholder would be deemed to have accepted the terms if he/she had not withdrawn during the specified period. The change in terms shall be notified to the cardholder through all the communication channels available.

7.7 The terms shall specify that the Bank shall exercise care when issuing PINs or codes and shall be under an obligation not to disclose the cardholder's PIN or code to anyone, except to the cardholder. The terms shall put the cardholder under an obligation to take all appropriate steps to keep the card safe and the means (such as PIN or CVV or OTP) which enable the card to be used, whether conveyed by the Bank through printed letter/e-mail/SMS or any other mode of communication or self-generated by the customer through Netbanking/Mobile Banking/ATM or any other mode made available by the Bank

7.8 The terms shall put the cardholder under an obligation not to record the PIN or CVV or OTP,

in any form that would be intelligible or otherwise accessible to any third party if access is gained to such records, either through honest or dishonest means.

7.9 The cardholder shall be under an obligation to notify the Bank immediately after he / she becomes aware of any of the following:

- Loss, theft or copying of the card or the means that enable it to be misused;
- Recording on the cardholder's account of any unauthorized transaction;
- Any error or other irregularity in the maintaining of the account by the Bank.

In case the Bank is in knowledge of any of the above through Cyber Security or other such mechanisms, the Bank may block/deactivate the affected cards and inform the customer. In such cases, the Bank may issue a replacement card to the cardholder without charging the customer for re-issuance.

7.10 The terms shall specify a contact point (call centre number, email address, etc.) to which the customer can make such notifications. Such notifications may be made at any time of the day or night.

7.11 The Bank shall advise cardholders to provide their cell phone numbers, email IDs to which, at the request of the customer, intimation shall be sent whenever a transaction is made using the debit card. For this service, the Bank may charge the customer on a non-discriminatory basis as decided by the competent authority from time to time.

7.12 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 liable for any loss caused by a technical breakdown of the payment system if the cardholder was informed of the system breakdown by a message on the device's display or otherwise. The responsibility of the Bank for the non-execution or defective execution of the transaction shall be limited to the principal sum and the loss of interest subject to the provisions of the law governing the terms.

7.13 Any discounts, cash backs, reward points, loyalty points or any other benefits offered by the Bank shall be provided in a transparent manner including source of such benefits. The accounting process for the same shall be verifiable in the books of the Bank. Detailed information regarding these benefits shall be displayed on the website of the Bank and a copy of the same shall also be provided to the cardholder.

7.14 In case of an insurance cover provided with a card, the Bank shall ensure that the relevant nomination details are recorded by the Insurance Company. The information shared with the cardholder shall also include the details regarding the insurance cover, name/address and telephone number of the Insurance Company which will handle the claims relating to the insurance cover.

8. Security and Other Aspects

8.1 The Bank shall ensure full security of the card. The security of the card shall be the responsibility of the Bank and the losses incurred by any party on account of breach of security or failure of the security mechanism shall be borne by the Bank.

8.2 The Bank shall keep, for a reasonable period of time (as defined in the Record Retention and Maintenance policy), internal records to enable operations to be traced and errors to be rectified

(taking into account the law of limitation for the time barred cases) as prescribed under 'Master Direction on Know Your Customer', as amended from time to time..

8.3 The cardholder shall be provided with a written record of the transaction after he/ she has completed it, immediately in the form of receipt or in another form such as the bank statement /email/SMS.

8.4 The Bank shall provide to the cardholder the detailed procedure to report the loss, theft or unauthorized use of card or PIN. The Bank shall provide multiple channels such as a dedicated helpline, dedicated number for SMS, internet banking and mobile-app or any other mode for reporting an unauthorized transaction on 24 x 7 basis and allow the customer to initiate the blocking of the card. The process for blocking the card, dedicated helpline as well as the SMS numbers, shall be adequately publicized. The Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.

On receipt of notification of the loss, theft or copying of the card, the Bank shall take all actions open to it to stop any further use of the card. The Bank shall block a lost card immediately on being informed by the cardholder and formalities, if any, can follow within a seven working days

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8.5 The cardholder shall bear the loss sustained up to the time of notification to the Bank of any loss, theft or copying of the card but only up to a certain limit (fixed amount or a percentage of the transaction agreed in advance between the cardholder and the Bank and specified in the Terms and Conditions for the card), except where the cardholder has acted fraudulently, knowingly or with extreme negligence.

8.6 With a view to reducing the instances of misuse of lost / stolen cards, the Bank shall consider any advanced features that may evolve from time to time.

8.7 Enhancing Security of Card Transactions

a. At the time of issue / re-issue, all cards (physical and virtual) shall be enabled for use only at contact based points of usage [viz. ATMs and Point of Sale (PoS) devices] within India. Issuers shall provide cardholders a facility for enabling card not present (domestic and international) transactions, card present (international) transactions and contactless transactions, as per the laid down process.
b. For existing cards, the Bank may take a decision, based on our risk perception, whether to disable the card not present (domestic and international) transactions, card present (international) transactions and contactless transaction rights. Existing cards which have never been used for online (card not present) / international / contactless transactions shall be mandatorily disabled for this purpose.
c. Additionally, the Bank 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 above facility should be available on a 24x7 basis through multiple channels such as - mobile application / internet banking / ATMs / Call Centre. This may also be offered at branches / offices;
    - Alerts / information / status, etc., through SMS / e-mail, shall be sent to customers as and when there is any change in status of the card.

The enhanced security features are being put in place in reference to RBI circular "Enhancing Security Card Transactions "dated January 15, 2020.

9. Issuance of International Debit Card

9.1 Issuance of international debit cards shall be subject to the guidelines issued under Foreign Exchange Management Act, 1999, as amended from time to time.

9.2 The Bank shall obtain membership of FEDAI, Authorized Dealer – Category 2 license from RBI, and any other membership / approval as required for completing cross-border transactions on such international debit cards.

10. Review of operations

The Bank shall undertake review of their operations/issue of debit cards on half-yearly basis. The review shall include, inter-alia, card usage analysis including cards not used for long durations due to the inherent risk of misuse.

11. Redressal of Grievances

11.1 In case of any complaints / grievances, the customers shall access to a variety of options to register, monitor and escalate the same as defined in the Grievance Redressal Policy of the bank which is displayed on the Bank's website.

11.2. The Bank shall ensure that the call centre staff are trained adequately to competently handle and escalate, a complaint, if necessary. The Grievance Redressal process shall have a provision for automatic escalation of unresolved complaints from a call center/base level to higher authorities. There shall be a system of acknowledging customers' complaints for follow up, such as complaint number/docket number, even if the complaints are received over phone.

11.3 DPSS guidelines issued vide circular RBI/2010/11/547 DPSS.PD.No.2632/02.10.002/2010-2011 dated 27 May, 2011 on timeframe for reconciliation of failed transactions at ATMs and settlement of disputes or as amended from time to time shall be complied with in this regard.

12. Cash Withdrawal Limit and Transaction Limit

12.1 The Daily transaction limits of SVC BANK VISA /Rupay Debit Card for ATM Cash withdrawals /POS /E-commerce /contactless transactions are subject to the limits fixed by the bank which mayvary from time to time.
Product wise withdrawal and transaction limits shall be disclosed by the Bank on its Website.

13. SMS Alert

14.1 In line with applicable RBI guidelines, the Bank shall put in place a system of online alerts for all types of transactions irrespective of the amounts involving usage of debit cards at various channels. For this service, the Bank may charge the customer on a non-discriminatory basis as decided by the competent authority from time to time.

14. Issuance and Annual Maintenance Charges

14.1 The bank shall be entitled to charge for various card related issuance and maintenance

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service which will be transparently disclosed by the Bank.

14.2 Charges shall be updated from time to time on the Bank's website and notice regarding the updates will be sent to the customers of the Bank at least 30 calendar days in advance.

15. Usage Charges

15.1 The usage charges for additional transactions shall be as defined in compliance with RBI guidelines issued from time to time.

16. Compliance with DPSS and other instructions

16.1 The issue of cards as a payment mechanism shall also be subject to relevant instructions on cash withdrawal, issue of international card, security issues and risk mitigation measures, card-to-card fund transfers, merchant discount rates structure, failed ATM transactions, etc, issued by the Department of Payment and Settlement Systems, Reserve Bank of India under the Payment and Settlement Systems Act, 2007, and the Foreign Exchange Department, Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended from time to time.

17. Standard Operating Procedure & Product Manual for Debit Cards

The Bank shall put in place a Standard Operating Procedure and Product Manual covering the Debit Card Issuance and Management, covering the following aspects:

- Debit Card Product Variants with Features, Card Limits and Eligibility Criteria, Pricing & Charges
- Debit Card Application Process
- Debit card issuance/Re-Issuance framework including Card Authorization process
- Mange Card Services- Channels and Guidelines for customers and Staff

The part of the SOP and Product Manual relevant for the customers shall be made available to the customers by publishing on Bank's website and other publicity material/forms available in the Branches.

18. Confidentiality of customer information

The Bank shall not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining their explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared. The Bank shall ensure strict compliance to the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information with other agencies, The Bank shall explicitly state and explain clearly to the customer the full meaning/implications of the disclosure clause. The information sought from customers shall not be of such nature which will violate the provisions of law relating to maintenance of secrecy in the transactions. The Bank shall be solely responsible for the correctness or otherwise of the data provided for the purpose.

19. Outsourcing of various services

The Bank shall ensure adherence to the guidelines on "Managing Risks and Code of Conduct in Outsourcing of Financial Services" as amended from time to time while outsourcing any activity related to issuance and servicing of debit cards.

20. Policy Implementation and update

20.1 This policy has placed before the Meeting of Board of Directors held on 15/03/2025 and has approve wide Resolution No. IV.

20.2 This may be reviewed annually or on an as-needed basis, but shall be effective till subsequent approval by the Board of the Bank.