



INDIA POST PAYMENTS BANK (IPPB)

Debit Card Issuance Policy

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The procedures performed are not an audit, or a compilation of the Company's financial statements or any part thereof, nor an examination of management's assertions concerning the effectiveness of the Company's internal control systems and detection of fraud, nor an examination of compliance with laws, regulations, or other matters. Accordingly, our performance of the procedures will not result in the expression of an opinion or any other form of assurance on the Company's financial statements or any part thereof, nor an opinion or any other form of assurance on the Company's internal control systems or its compliance with laws, regulations, or other matters.

Approvals

Date	Name	Designation
27 th August 2021	PFRC	PFRC
23 rd February 2023	Board	Board
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Version Control

Date	Version	Change Description (in brief)
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Nov 02, 2016	2.0	Second draft with DoP Advisor's comments incorporated
Dec 21, 2016	3.0	Third draft with DoP Advisor's (NPCI) comments incorporated
Jan 09, 2017	4.0	Third draft with DDG PBI's comments incorporated
Jan 16, 2017	5.0	No comments from the PNB Advisor
Jan 19, 2021	6.0	Inclusion of points related to Virtual Debit Card and few clauses of physical debit card
April 04, 2021	7.0	Included observations of the Product team and Mr. Pankaj Ingle, AGM.
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Contents

1.	Debit Card Issuance Policy	4
1.1.	Introduction	4
1.2.	Eligibility	4
1.3.	Types of debit cards	4
1.4.	KYC / AML compliance	5
1.5.	Application Process.....	5
1.6.	Terms and conditions for issuance of cards.....	6
1.7.	Cash withdrawals	8
1.8.	Security and other aspects	8
1.9.	Review of operations	9
1.10.	Redressal of grievances	10
1.11.	Confidentiality of customer information	10
1.12.	Unsolicited commercial communication	10
1.13.	Alerts	10
1.14.	Issuance and Annual Maintenance Charges	10
1.15.	Usage charges	10
1.16.	Compliance with DPSS instructions.....	11
2.	Policy revision	11
	Annexure I - Glossary.....	12
	Annexure II – Reference	13

1. Debit Card Issuance Policy

1.1. Introduction

- 1.1.1. Debit cards are issued by banks to their account holders and are linked to the customer bank accounts. Debit cards are used to withdraw cash from ATMs/ Point of Sale (POS)/ micro ATMs, for purchase of goods and services at Point of Sale (POS) / E-commerce (online purchase) both domestically and internationally (provided they are enabled for international use). Debit cards may also be used for domestic fund transfer from one person to another. The issuance of debit cards are regulated under guidelines issued by Reserve Bank of India and respective card schemes from time to time.
- 1.1.2. This policy shall come into force w.e.f. 8th November 2021.

1.2. Eligibility

- 1.2.1. Debit card shall be a value-added service offered by India Post Payments Bank (hereinafter referred as the Bank). The Bank may consider issuing Debit Card to individuals holding savings and current accounts under certain categories defined on the basis of their need, security concerns, viability etc.
- 1.2.2. The Bank may consider levying charges for issuance, reissuance Debit Card, annual maintenance, transactional charges, ATM or POS Withdrawal Charges to the customers depending upon factors like value of account, cost of servicing, regulatory guidelines etc. as and when decided by the bank.
- 1.2.3. Subject to 1.2.1 and 1.2.2 above, the general eligibility for issuing Debit Card is defined below
 - 1.2.3.1. All savings account holders except jointly operated accounts
 - 1.2.3.2. All current account holders of individuals except jointly operated accounts. Debit Cards will not be issued in Non-individual accounts. However, sole proprietorship accounts shall be eligible for issuance of debit cards.
 - 1.2.3.3. Minors above the age of 10 may be issued debit cards. The maximum limit for withdrawal and transactions shall be set by the competent authority of the Bank from time to time.
 - 1.2.3.4. Competent Authority of bank may review the Debit card eligibility criteria and decide for continue/discontinue the debit card issuance to identified customers/ segment of customer.

1.3. Types of debit cards

- 1.3.1. The Bank shall issue different types of debit cards including Physical, Virtual, Co-branded, White Label debit cards, Contact, Contactless, wearables etc. As per customer needs, business requirements, regulatory norms issued time to time. Bank will issue EMV enabled Chip based Physical Debit card.

- 1.3.2. The bank may issue all or a proportion of the debit cards on various card networks like RuPay, Master Card, Visa, Mastero or any other as per the decision taken by the bank from time to time.
- 1.3.3. Debit Cards may also be issued on BIN sponsorship model or Co - Branding with partners tied up. Card Operations/ regulatory guidelines will be managed by sponsored partner in this case.
- 1.3.4. Role of co-branding partner entity will be as follows as per RBI guidelines-
 - 1.3.4.1. The role of the co-branding partner (CBP) entity under the tie-up arrangement shall be limited to marketing/ distribution of the cards and providing access to the cardholder for the goods/ services that are offered.
 - 1.3.4.2. CBP shall not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the CBP shall not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of cardholder's convenience, card transaction related data may be drawn directly from the bank's system in an encrypted form and displayed in the CBP's platform with robust security. The information displayed through the CBP's platform shall be visible only to the cardholder and shall neither be accessed nor be stored by the CBP.
- 1.3.5. Bank will provide the offers available through the Card Networks (RuPay, Master Card, VISA) or itself as decided by bank from time to time.

1.4. KYC / AML compliance

- 1.4.1. Debit cards shall be issued only to the Bank's existing, and new account holders and all such accounts shall be KYC / AML / CFT compliant. However, in case of non-availability of acceptable KYC, the Bank shall abide by instructions / guidelines on KYC / AML / CFT applicable to payments banks, issued by RBI from time to time, in respect of all cards issued.

1.5. Application Process

- 1.5.1. Physical Debit card can be of personalized or non-personalized (insta).
- 1.5.2. Personalized physical debit card shall be mailed to the customer's Registered communication address premises as per details provided to the Bank by the customer. In case the card is undelivered, it shall be returned to the nearest branch of the Bank from where the customer may collect it.
- 1.5.3. Customer may collect non personalized card from the branch/ banking correspondent appointed by the bank as per the process designed by the bank.
- 1.5.4. Bank may decide to offer paper based PIN or green PIN or both.
- 1.5.5. PIN -

- 1.5.5.1. Personalized Cards - In case of paper-based PIN, it shall be delivered separately to cardholder's address as per the communication address in Bank's records or can be collected from respective branch.
- 1.5.5.2. Non-Personalized (Insta) Cards - In case of paper-based PIN, it shall be delivered along with Card Kit to the cardholder.
- 1.5.5.3. Card holder can generate his/ her green PIN as per process specified by the bank from time to time.

1.6. Terms and conditions for issuance of cards

- 1.6.1. In case Bank issues Virtual Debit card, Bank shall not dispatch this card. This card will be made available to the customer on their mobile banking app and can be generated instantly. Customer having existing Virtual Debit Can opt for Physical Debit Card also. However, bank can issue new card or print existing card as per processed defined at bank aside from time to time.
- 1.6.2. The Bank shall not dispatch a card to any customer unsolicited, Bank will always inform the customer in advance if the card is a replacement (in case the card is stolen, lost, compromised, etc., or when the validity is expired, or when the Bank decides to upgrade the card) for a card already held by the customer. In case of renewal of an existing card, the cardholder shall be provided an option to decline the same if he/ she wants to do so before dispatching the renewed card. Further, in case a card is blocked at the request of the cardholder, replacement card in lieu of the blocked card shall be issued with the explicit consent of the cardholder.
- 1.6.3. The relationship between the Bank and the card holder shall be contractual.
- 1.6.4. The Bank shall make available to the cardholders, a set of contractual terms and conditions governing the issuance and usage of the cards. These terms shall maintain a fair balance between the interests of the parties concerned.
- 1.6.5. The terms of issuance of the card shall be clearly and unambiguously expressed.
- 1.6.6. The terms shall specify the basis of any charges, but not necessarily the amount of charges, at any point of time. Latest charges will be made available under schedule of charges updated time to time.
- 1.6.7. The terms shall specify the period within which the cardholder's account would normally be debited.
- 1.6.8. The terms may be altered by sole discretion of bank the Bank, but sufficient notice of the change shall be given to the cardholder to enable him / her to discontinue the facility if he / she so chooses. A period shall be specified after which time the cardholder shall be deemed to have accepted the terms if he / she had not taken any action to discontinue the facility during the specified period. The altered terms and condition will be updated on IPPB website.

- 1.6.9. The terms shall put the cardholder under an obligation to take all appropriate steps to keep safe the card and the means (such as card details, PIN or OTP) which enable the card to be used.
- 1.6.10. The terms shall put the cardholder under an obligation not to record the PIN 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, IPPB shall not be held responsible for the same.
- 1.6.11. 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 used
 - Recording on the cardholder's account of any unauthorized transaction
 - Any error or other irregularity in maintaining of the account by the Bank
- 1.6.12. The terms shall specify a contact point (call center number, address, etc.) to which the customer can make such notifications. Such notifications may be made at any time of the day or night.
- 1.6.13. The terms shall specify that the Bank shall exercise care when issuing PINs and shall be under an obligation not to disclose the cardholder's PIN or OTP, except to the cardholders.
- 1.6.14. Bank will communicate with card holders for issuance of PIN and OTP using registered communication address, mobile number and email address prevailing at the time of PIN issuance and transaction initiation. Card holders must ensure latest communication address, mobile number and email is updated in bank account records.
- 1.6.15. The Bank shall send an intimation to the customers registered mobile number and/ or email id 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.
- 1.6.16. 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.
- 1.6.17. ATM usage facility may be provided by the Bank. This facility comprising of financial and non-financial transaction their limits and charges/ free of cost transactions basis Product wise, scheme wise, customer segment wise and any other parameter bank decide from time to time. The ATM usage facility will be designed at the sole discretion of the bank complying to RBI, card scheme and any other regulatory guidelines. The details of ATM Usage facility and any changes to the facility will be

communicated to card holders and updated on bank website at Schedule along with the schedule of Charges from time to time.

- 1.6.18. Bank 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.
- 1.6.19. Bank shall submit a detailed report to the Reserve Bank of India, prior to the issuance of any such form factors.
- 1.6.20. Bank shall provide to the cardholder the detailed procedure to report the loss, theft or unauthorized use of card or PIN. Bank shall provide multiple channels such as a dedicated helpline, branch and mobile-app 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 and channels, shall be adequately publicized and included in the billing statements.
- 1.6.21. Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.
- 1.6.22. Grievance Redressal Mechanism will be guided by Customer Protection and Grievance Redressal Policy.
- 1.6.23. The terms and conditions for the issuance and usage of a card shall be mentioned in clear and simple language (preferably in English) comprehensible to the cardholder.
- 1.6.24. 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.
- 1.6.25. The co-branded debit card shall explicitly indicate that the card has been issued under a co-branding 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 bank shall be clearly shown.
- 1.6.26. The co-branding arrangement for debit cards shall also be subject to the specific conditions applicable to debit cards.

1.7. Cash withdrawals

- 1.7.1. In case Bank offers Physical Debit Card, bank shall offer cash transactions through the debit cards at the Points of Sale and micro ATM also in compliance with RBI and card scheme regulations as applicable from time to time.

1.8. Security and other aspects

- 1.8.1. Till the time the debit card is delivered to the customer, the security of the debit 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.

- 1.8.2. The Bank shall keep, for a reasonable period of time, 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).
- 1.8.3. The cardholder shall be provided with a record of the transaction after he / she has completed it, either immediately in the form of receipt or, within a reasonable period of time, in another form such as the bank statement, SMS, Transaction history in Mobile Banking app
- 1.8.4. The Bank shall provide means whereby the customers may, at any time of the day or night, notify the loss, theft or copying of the card.
- 1.8.5. 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.
- 1.8.6. The Bank will endeavor to take all steps from time to time, as deemed appropriate for reducing the instances of misuse of lost / stolen cards.
- 1.8.7. The liability of the cardholder and the bank in case of unauthorized/ fraudulent transactions will be as per the RBI guidelines on Limiting Liability of Customers in Unauthorized Electronic Banking Transactions
- 1.8.8. Turn Around Time for reversal of failed transactions and compensation will be guided by RBI and card scheme guidelines.
- 1.8.9. Mobile number registration is mandatory for availing debit card services. Recurring Transaction will also be supported based on customers' request (mandate registration). This will follow the latest regulatory guidelines in term of limit, authentication mode/ requirement/ waiver.
- 1.8.10. Enable/ Disable usage channel wise (ATM/ POS/ ECOM/ Contactless) and card limit management shall be made available to the customers.

1.9. Review of operations

- 1.9.1. The Bank shall undertake review of operations / issuance of debit cards on an half yearly basis as decided appropriate by the competent authorities. The review will include, inter-alia, card usage analysis including cards not used for long durations due to the inherent risk of misuse. Card usage analysis may also include metrics such as, but not limited to, percentage of cards issued to the number of accounts opened, usage of cards in ATMs and POS, wrongful usage of cards and loss of cards. This will be managed by Risk in consultation with Product and Operations.
- 1.9.2. Card Profile/ Usage/ Operations will be reviewed by bank from time to time as per guidelines of RBI/ Card Schemes/ Bank's Internal Risk Review to safeguard customers' interest/ follow regulatory recommendations. Accordingly, card may be temporarily blocked/ permanently blocked. Customer will also be immediately intimated via SMS alerts for any changes in card status along with the reasons thereof.

1.10. Redressal of grievances

- 1.10.1. For any complaint / grievance with regard to services rendered by the Bank, the customers shall have the right to approach authority(ies) designated by the Bank for handling customer complaints /grievances. The details of the internal set-up for redressal of complaints / grievances will be displayed in the branch and other access point premises. The Bank officials shall provide all required information regarding the procedure for lodging the complaint.
- 1.10.2. If the customer is dissatisfied with the handling of his / her problem by the branch officials, he / she shall have the right to approach the next higher authority. If a complainant does not get satisfactory response from the Bank within a maximum period of thirty (30) days from the date of his / her lodging of the complaint, he / she shall have the option to approach the office of the concerned Banking Ombudsman for redressal of his / her grievance(s).

1.11. Confidentiality of customer information

Bank shall not share card data (including transaction data) of the cardholders with the outsourcing partners. However, in case of any card linked insurance, basic details may be shared with the entity with whom bank has tied up for offer the insurance with explicit consent from the cardholder. Also, the storage and the ownership of card data remains with the bank.

1.12. Unsolicited commercial communication

- 1.12.1. In accordance with the Bank's marketing initiatives, telemarketers may be engaged who comply with directions / regulations issued by the Telecom Regulatory Authority of India (TRAI) from time to time while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)".

1.13. Alerts

- 1.13.1. For better tracking and security, the cardholder shall be sent instant SMS alerts and/ or Email alerts/ In app alerts for all cash withdrawals / purchase transactions / online transactions/ Limit change, card hotlist made on his / her 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.

1.14. Issuance and Annual Maintenance Charges

- 1.14.1. This is as per the Schedule of Charges as decided by the bank.
- 1.14.2. Charges shall be subject to revision from time to time.

1.15. Usage charges

- 1.15.1. The usage charges shall be as decided by the Bank in compliance with RBI and card scheme guidelines issued from time to time.

1.16. Compliance with regulatory instructions

- 1.16.1. The issuance of debit cards as a payment mechanism shall also be subject to relevant guidelines including guidelines on 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 of RBI under the Payment and Settlement Systems Act, 2007, as amended from time to time.
- 1.16.2. Fraud Risk Management: Debit card are susceptible to frauds and carries inherent risk to customer and bank. Bank will put in place the robust fraud risk management framework comprising of risk identification, event reporting, control, allocation and mitigation mechanism. Bank will review the fraud risk management framework time to time and on need basis as the situation arise in order to comply with RBI, Card scheme and other regulatory guidelines. Real time monitoring with FRM solutions may be used for this. EFRM services provided by card schemes may be looked into, if any.

2. Policy revision

- 2.1.1. The Product department shall be responsible to own, maintain and update this policy.
- 2.1.2. Any revisions to the policy may seek inputs from Operations, Risk and Compliance departments of the Bank.
- 2.1.3. This policy shall undergo an annual review and approval process by the Board. If any change in this policy is subsequently approved, consequent upon any change in regulatory guidelines, market conditions, etc., such changes and approvals shall be deemed to be part of the policy until the policy and framework are comprehensively reviewed. All such interim changes shall be approved by the Board. The reviewed policy should be made available for information of all employees.

Annexure I - Glossary

Term	Description
AML	Anti-Money Laundering
ATM	Automated Teller Machine
CFT	Countering Financing of Terrorism
DPSS	Department of Payment and Settlement Systems
ID	Identity
KYC	Know Your Customer
EMV	Europay, MasterCard, and Visa
PIN	Personal Identification Number
POS	Point of Sale
RBI	Reserve Bank of India
SMS	Short Messaging Service

Annexure II – Reference

Sr. No.	Reference	Description
1	RBI Master Circular No. RBI/2015-16/31. DBR.No.FSD.BC.18/24.01.009/2015-16 dated July 1 2015	Master Circular on Credit Card, Debit Card and Rupee Denominated Cobranded Prepaid Card operations of banks
2	RBI Circular No. DBOD.No.FSD.BC.66/24.01.019/2012-13 dated 12 December 2012	Guidelines for issuance of debit cards by banks
3	RBI Circular No. RBI/2014-15/179 dated August 14, 2014	Guidelines on usage of ATMs – rationalization of number of free transactions
4	RBI Circular No. RBI/2014-15/260 DPSS.CO.PD.No.659/02.10.002/2014-2015 dated October 10, 2014	Clarification on usage of ATMs – rationalization of number of free transactions
5	RBI Circular No. RBI/2019-20/41 DPSS.CO.PD No. 377/02.10.002/2019-20	Usage of ATMs – Free ATM transactions – Clarifications
6	RBI Circular No. RBI/2011-12/625 DPSS.CO.PD.No.2361/02.14.003/2011-12 dated June 28, 2012	Guidelines on Merchant Discount Rates Structure for Debit Card Transactions
7	RBI Circular No. RBI/2017-18/105 DPSS.CO.PD 1633/02.14.003/2017-18	Rationalization of Merchant Discount Rate (MDR) for Debit Card Transactions
8	RBI Circular No. RBI/2015-16/164 DPSS.CO.PD.No.449/02.14.003/2015-16 dated August 27, 2015	Guidelines on Cash Withdrawal at Point-of-Sale (POS) - Enhanced limit at Tier III to VI Centers
9	RBI Circular No. RBI/2019-20/50 DPSS.CO.PD.No.501/02.14.003/2019-20	Cash Withdrawal at Points-of-Sale (PoS) Devices
10	RBI Circular No. RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18	Customer Protection – Limiting Liability of Customers in Unauthorized Electronic Banking Transactions
11	RBI Circular No. RBI/2020-21/74 DPSS.CO.PD No.754/02.14.003/2020-21	Processing of e-mandates for recurring transactions
12	RBI Circular No.	Enhancing Security of Card Transactions

	RBI/2019-20/142 DPSS.CO.PD No.1343/02.14.003/2019-20	
13	RBI Circular No. RBI/2020-21/21 DPSS.CO.PD No.116/02.12.004/2020-21	Online Dispute Resolution (ODR) System for Digital Payments
14	RBI Circular No. RBI/2019-20/67 DPSS.CO.PD No.629/02.01.014/2019-20	Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems
16	Payment and Settlement Systems Act, 2007	THE PAYMENT AND SETTLEMENT SYSTEMS ACT, 2007 No. 51 of 2007 & RBI FAQs
17	RBI Circular No. RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16	Master Circular on Customer Service in Banks
18	RBI Master Direction – RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23	Master Direction - Credit Card and Debit Card – Issuance and Conduct Directions, 2022