

OFFER 'ENABLE', 'DISABLE' OPTIONS IN CARDS: RBI

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

The Reserve Bank of India (RBI) has asked issuers of credit and debit cards as well as those of non-bank prepaid payment instrument to provide the option of disabling and enabling cards, a move aimed at customer convenience.

“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,” the RBI said. Issuers of cards have been asked to provide cardholders a facility for enabling ‘card not present’ (domestic and international) transactions, ‘card present’ (international) transactions and contactless transactions.

According to the banking regulator, for existing cards, the issuers may take a decision, based on their risk perception, whether to disable the card not present (domestic and international) transactions, card present (international) transactions and contactless transaction rights.

Furthermore, the RBI said that customers should have the facility to switch on or off and set or modify transaction limits for all types of transactions.

Prepaid gift cards and those used at mass transit systems have been kept out of this new rule.

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