

BFSL Credit Card Policy

**(Approved by Board in meeting held on
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Document Information

Policy Name:	Policy on Credit Card
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Revision History

Sr. No.	Version No.	Addition in the Policy
1	1.0	New Policy
2	2.0	Policy updated for procedural & regulatory changes
3	3.0	Policy updated in line with RBI circular
4	4.0	Policy update and annual review of the policy



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1. Introduction

The BFSL Credit Card Policy governs the product lifecycle of Credit Cards offered by BOB Financial Solutions Limited (BFSL). This policy covers the product, customer eligibility, application, processing, customer lifecycle management and collection requirements.

2. Scope

This policy applies to Credit Cards issued by BFSL. In the event of any conflict between the Policy and the regulatory requirements applicable to BFSL, the latter shall take precedence.

3. Product Construct

BFSL issues Retail & Commercial Credit Cards.

The retail credit card suite of products was refreshed in January 2018, and re-launched as Bank of Baroda Credit Cards (earlier issued as BOBCARDS Credit Cards), with 5X Reward Points benefits across merchant categories relevant to the respective target segment.

Currently, BFSL issues 6 variants of unsecured Credit Cards

1. Swavlamban
2. Easy
3. Select
4. Premier
5. Eterna
6. ConQR

BFSL also issues following card variants as secured Credit Card (issued by placing a lien on FD maintained with Bank of Baroda).

1. Easy
2. Select
3. Premier
4. Eterna
5. Prime

Besides these product variants - BFSL has also launched co-branded credit cards with following partners

1. ICAI (ICAI Exclusive Credit Card)
2. ICSI (ICSI Diamond Credit Card)
3. ICMAI (CMA One Credit Card)

4. Indian Navy Varunah Co-brand Credit Card
5. FPL OneCard Co-brand credit Card
6. IRCTC Co-brand Credit Card
7. HPCL ENERGIE Co-brand Credit Card
8. Snapdeal Co-brand Credit Card
9. Credit AI Unnati co-brand Credit Card
10. PayTM Co-branded Credit Card (discontinued pilot project; cards under migration)
11. Indian Army Yoddha Co-brand Credit Card
12. Assam Rifles The Sentinel Co-brand Credit Card
13. Indian Coast Guard Rakshamah Co-brand Credit Card

BFSL also has Vikram Credit Card product in market which is offered to security personnel in paramilitary and police

BFSL also has following commercial card products in market

1. Corporate Credit Card
2. Empower Business Credit Card

4. Customer Acquisition & On Boarding

The customer on-boarding will be done post necessary documentation received & checks conducted as per Standard Operating Procedures (SOP). While the Bank has its branches in multiple locations, BFSL may choose not to acquire/source credit card customers from certain locations/segments depending on the availability of collections infrastructure.

4.1. Eligibility

BFSL Credit Cards can be issued to any Indian national who meets the eligibility criteria prescribed from time to time. The lending/eligibility guidelines are documented separately.

The criteria include age (currently 21-65 years), minimum income (currently Rs. 1.2 lakhs per annum) and a set of credit appraisal criteria that are updated basis internal risk assessments and industry trends.

4.2. Customer Application Form

The customer needs to apply using the Credit Card Application Form.

The Most Important Terms and Conditions (MITCs) termed as standard set of conditions are highlighted and advertised/sent separately to the prospective customer (s) at all stages i.e. during marketing, at the time of application, at the acceptance stage (welcome kit) and in important subsequent communications.

Any amendments in the Terms & conditions must be approved by the BFSL compliance & Legal teams in advance of Terms and Conditions signing.

4.3. KYC and Income Documents

The customer needs to submit self-attested copies of KYC documents as per BFSL's KYC - AML - CFT Policy.

Income documents are required from customers who are not pre-approved for a BFSL credit card. For salaried applicants, salary slips and bank statements are required as income proof. For self-employed applicants, latest Income Tax Return (ITR) is required as the income proof. OSV is done for KYC and Income documents as per regulatory guidelines

4.4. Incomplete Documentation

In case an incomplete application is received at BFSL, it will not be processed and the application will be returned to the appropriate origination channel. It is the responsibility of the origination channel to provide complete application along with the requisite documentation for processing.

4.5. Pre-Sanction

- a. Bank of Baroda and BFSL Staff – The Credit Card application will be processed basis the completed Application Form. The Credit Limit will be governed by the Grade-wise grid, to be shared with the Issuance team by the Chief Risk Officer and Head-Product & Portfolio Management at regular intervals
- b. Pre-qualified Bank of Baroda customers – Currently, select BoB customers are pre-qualified for Credit Card basis their bank of Baroda Bank account balance and credit behaviour on non-BFSL credit products (information sourced from Credit Bureau). The credit limit is pre-approved for each customer, and the credit card application will be processed basis the completed Application Form.
- c. Other Bank of Baroda and Open Market customers – These applications will be processed basis verification of income as well as KYC documents. In addition to that customers telephone/mobile, residence and office verifications checks will be done basis his risk profile.
- d. All applicants – All regulatory checks will be completed before sanction of any Credit Card.

BFSL shall assess the credit limit for the customer basis risk profile Income or account balance may also be used to determine the credit limit. Further, the credit limit shall be assessed taking into consideration all the limits enjoyed by the cardholder from other entities on the basis of self-declaration/credit information obtained from a Credit Information Company, as appropriate.

- e. Credit Bureau checks will be performed for all applicants. BFSL may choose to offer cards to NTC/Thin file customers on a selective basis.
- f. Field (residence/office) verification to be done for cases which are prompted for verification by the Business Rule Engine.

4.6. Communicating Decision

Once the application is reviewed & processed at BFSL, the final decision (including the reasons for rejection, if any) will be communicated to the customer via SMS and Email.

5. Credit Card Despatch, Validity, Replacement and Renewal

A new credit card is embossed and despatched via courier by the card manufacturing vendor. The vendor receives a daily file with details of the cards to be embossed and despatched for the day.

The current validity of BFSL Card plastic is 5 years from the month of issue.

While the card plastic of all live customers will be renewed every 5 years, there may be instances where a replacement credit card is required such as lost or stolen card, transaction in a high risk country, damage to the chip or magnet stripe etc. In these cases, the customer can request a replacement by calling up Customer Service or sending an email to CRM mail ID Customer Experience (CE) team. CE/For any urgent card blocking due to lost card / fraudulent transactions, customer to use the self serve channels or block by calling at BFSL contact centre instead of sending request for blocking of card .

6. Credit Card Repayment

Currently, BFSL offers multiple statement cycles. All statements are generated on specified date of each month, and are sent via courier and/or email/online (with suitable security measures). It is ensured that there is no delay in dispatching bills and the customer has sufficient number of days (at least one fortnight) for making payment before the interest rates starts getting charged.

Cardholders are required to pay at least the Minimum Amount Due, which is 5% of the total outstanding amount [or Rs. 200 whichever is higher](#). There are several channels enabled for credit card dues repayment. As an option Auto Debit facility is made available to the customers for easier repayments and may be made mandatory for certain locations/segments at the discretion of BFSL

7. Customer Lifecycle Management

As Credit Card is a perpetual product, management of customer lifecycle is very important.

This is done both proactively and reactively. Proactive customer lifecycle management is done through Welcome Calling, where newly acquired customers are called to acquaint them about the Credit Card features, benefits, repayment options etc.

Reactive management of customer lifecycle is done when a cardholder contacts us with a problem, issue or concern. The CE team tries to ensure that all such transactions are properly managed, to help maintain/increase cardholder engagement, as the case may be.

8. Reward Points

BFSL Credit Cards have a Loyalty Program as one of the core product features. Reward Points (earlier known as Bonus Points) help engage the credit cardholder, by rewarding each transaction done using the BFSL Credit Card.

8.1 Accrual of Reward Points

Reward Points accrue as per the respective Credit Card variant.

HPCL BOB Energie Credit Card: Reward Points accrue on spends of Rs. 150 and multiples thereof.

All other cards: Reward Points accrue on spends of Rs. 100 and multiples thereof.

8.2 Validity of Reward Points

From 1st April 2018, Reward Points have a validity of 2 years from the date of accrual, except for Eterna credit card where reward points won't expire/lapse.

For example, a Reward Point accrued on 1st September 2023 will expire on 31st August 2025 and so on. Redemption and expiry of Reward Points will be on First in First out (FIFO) basis.

Requests for redemption/ re-instatement of expired points may be allowed on case to case basis and as per DAP

8.3 Redemption of Reward Points

Currently, a cardholder can redeem Reward Points upon accumulation of at least 500 points.

Reward point redemption value:

- Swavlamban, Easy, Select & Prime Credit Cards: The redemption value of each point is Rs. 0.20 i.e. 5 Reward Points are equivalent to 1 Rupee.
- All other credit cards: The redemption value of each point is Rs. 0.25 i.e. 4 Reward Points are equivalent to 1 Rupee.

The redeemed value is credited to the cardholder's BFSL Credit Card account.

8.4 Key conditions governing Reward Points

- a) Special MCCs (declared by BFSL from time to time) will accrue core rewards points at 50% rate and won't be eligible for accelerated reward points feature.
- b) CC on UPI transactions will accrue core rewards with capping of maximum 500 RP per statement cycle per card. Accelerated RP won't be applicable on CC UPI transactions however these txns will be considered for all other features like milestone rewards, txn based rewards and other special features of the product.
- c) Fuel transactions won't qualify for rewards points on any credit card variant except for HPCL BOB Energie Credit Card.
- d) For reward point benefits linked to spends in specified period only transactions settled during the period will be considered for spend calculation purpose to decide whether customer is eligible for such benefit or not.

- e) Accrued Reward points will lapse after 2 years from date of accrual, except for Eterna card where reward points will never lapse except for scenarios listed below under Reward point lapse section.
- f) Accrued Reward Points will lapse in following scenarios
 - Voluntary or Bank initiated Closures
 - Card getting classified as NPA
 - Cardholder fails to make payment of credit card dues which is due for a period greater than 90 days
 - Cardholder fails to make payment of outstanding dues on the card account and opts for settlement of the outstanding amount.
 - If the cardholder is found to be involved in fraud on own card account after the investigation is carried out by BFSL.
 - In the event of the death of the cardholder
 - If the credit card is not used for more than 365 days.
 - If the card is blocked for any other reason like lost/stolen and renewal/replacement card could not be delivered due to address change and such card is not activated by the customer within 6 months
- g) Redemption will not be allowed on blocked / cancelled credit cards
- h) No refund of credit balance shall be allowed which may arise due to redemption of reward points. The redeemed value can only be adjusted against the fees, charges and/or against fresh purchases.
- i) In case of reversal of transactions, the reward points already earned on the transaction value shall be reversed automatically

8.5 Responsibilities

- a) The Billing and Card Operations department shall administer the aforesaid scheme in co-ordination with the service provider, if any. The In charge of the Billing & Card Operations department herein referred to as “administrator” shall be responsible for overall supervision including entertaining redemption requests, resolving related customer issues etc.

8.6 Accounting Treatment

- Reward points actually redeemed shall be booked on monthly basis as business expenses on the basis of redemption request from the cardholder.
- The liability for rewards points outstanding as at the year end and expected to redeem in the future is accounted for on the basis of actuarial valuation. **(as per Accounting Policy)**
- In respect of liability for points not credited to card holders on non-holding of credit card is considered as contingent liability. Hither-to the same is accounted for in year of actual redemption. **(as per Accounting Policy)**

9. Credit Card – Tariff of charges

Various fees and charges applicable on Bank of Baroda credit card will be listed in the latest MITC document for respective Credit card product and it will be available to all prospect/existing cardholders on our official website at below web-page

<https://www.bobfinancial.com/most-important-terms-and-conditions.jsp>

The maximum interest rate is 3.6% per month i.e. 43.2% annually

10. Turn around time

10.1. Issuance of credit cards

- 11 working days from date of receiving completed application form

10.2. Grievance Redressal

BFSL Credit Cards have setup customer grievances and redressal mechanism to address the complaints of the customers. Customers are requested to follow the following procedure, if the complaints are not addressed within the 3 working days.

Level	Customer Service	Response Time
Level1	crm@bobfinancial.com	3 Working Days
Level2	crm1@bobfinancial.com	Next 2 Working Days

*** If your complaint is still un resolved, you can write to Ms. Jyoti Jain; Vice President - Customer Services**
BOB Financial Solutions Ltd,

15th Floor, 1502/1503/1504, DLH Park,

S.V.Road, Goregaon West, Mumbai - 400104

Email Id: escalations@bobfinancial.com

10.3. Compensation framework

All schemes have different chargeback life cycle but standard time line is 180 days from the Chargeback processing date for closure of final chargeback life cycle.

TimeLine for Chargeback						
CARD TYPE	FIRST CHARGEBACK (ISS)	REPRESENTMENT (ACQ)	Pre-Arbitration (ISS)	Arbitration (ISS)	Total Days	Time frame to raise Chargeback from Date of the transaction
MasterCard	45	45	30	10	130	120

VISA (NON-FRAUD)	30	30	30	10	100	120
VISA (FRAUD)	30	NA	30 (Raised by ACQ)	10	70	120
RuPay	30	60	30	10	130	120

11. Credit Card Closure and Card Suspension

A Credit Card can either be closed voluntarily i.e. by the cardholder himself/herself, or by BFSL on account of delinquency i.e. unpaid dues.

When a customer approaches BFSL for voluntary closure of Credit Card, BFSL will make attempts to retain the customer by addressing any concerns and taking required steps for service recovery. However, if the customer is not convinced, BFSL will allow closure of the Credit Card subject to clearance of all dues.

In case a customer is in bucket 2 on account of non-payment of his credit card dues , his credit card is suspended and the card holder will not be able to use his card till he clears overdue amount .

12. Recovery/ Collections

Recovery refers to the processes of collecting debit balances due from Credit Card customers. These processes ensure that loss is minimized through internal and external collections activities to recoup balances due.

BFSL uses the services of internal employees as well as external agencies to recover outstanding balances from customers

13. NPA Write Off

As per statutory guidelines defined by RBI, BFSL currently recognizes NPA from Credit Card receivables at 90DPD (Days Past Due). At recognition of NPA, BFSL provides a 50% provision in the books of accounts at the time of NPA, and another 50% of the remaining principal, if the account still remains as NPA for 180+ days.

For accounts in which all pending arrears in overdue payments (minimum amount due in entirety) are paid, NPA tag is released in accordance with the regulatory guidelines in this regard.

BFSL will write off NPAs quarterly of any account which has been classified as NPA for 180+ days and for which no payment is received for one year.

14. Regulatory Reporting

All regulatory reporting pertaining to Credit Cards will be done as per extant guidelines.

Notification would be sent to customers via SMS on Day 23 after billing cycle / 3 days post PDD thereby giving them seven days' notice before reporting them for default to the credit bureaus if MIN DUE payment is not received by that day.

In the event the customer settles his/her dues after having been reported as defaulter, status will be updated within 30 days from the date of settlement.

15. Policy Exception / Conflict / Interpretation Resolution

It is the responsibility of every BFSL employee to escalate to the Policy Custodian (BFSL – Head Product & Portfolio Management, BFSL – Chief Operating Officer and BFSL – Chief Risk Officer) any conflicts or interpretation issues associated with the Policy.

All requests for exceptions to this policy, or its related procedures, must be approved by the Policy Approvers. Exception requests must include an action plan, and rationale, and must carry either an expiration date or a review date. Any identified exception to this policy that has not yet been approved must be escalated to the Policy Custodian immediately. Approved policy exceptions do not constitute policy non-compliance.

The Policy Approvers will maintain documentation of all exceptions, and the Policy Custodian will regularly review these exceptions to assess whether a policy change is required and to ensure ongoing policy compliance.

16. Periodicity of Review of the Policy

The policy shall be reviewed after one year from the date of approval or regulatory change/amendment, whichever is earlier and it shall continue to be in force till the reviewed policy comes into place.