

## Benefits of Debit Card Activation - FAQ

**QUESTION 1. Why it is important to have active debit cards?**

**ANSWER:** *Debit Card makes your payments much more convenient and secure through an electronic payment facility directly from your bank account. Debit card can be used for purchases online or at shops by directly debiting your Bank account. Debit cards can also be used to withdraw cash from an ATM.*

**QUESTION 2: How is a customer benefited by debit cards?**

**ANSWER:** *Major benefits to customers are*

- *It is more convenient to carry a small, plastic card instead of a bulky Cheque book or a large amount of cash.*
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- *Easy to obtain: Once you open an account most institutions will issue you a debit card upon request.*
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- *Convenience: Purchases can be made using a chip-enabled terminal or by swiping the card rather than filling out a paper cheque.*
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- *Safety: You don't have to carry cash or a Cheque book. Debit cards are protected by a four digit pin number that you set yourself. This pin is needed to make any purchase with your debit card.*
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- *Readily accepted: When out of town (or out of the country), debit cards are usually widely accepted (make sure to tell your financial institution you're leaving your city; to not have an interruption in service).*
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- *It's a Cash Card Too: Debit cards still have the ability to give you cash, you can take them to an ATM and use them there to withdraw the cash.*
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- *Insurance: National Payment Corporation of India has introduced Insurance cover in case of accidental death or permanent disablement of Rs 1 Lac for NonPremium cards (RuPay Classic) and Rs 2 Lac for Premium cards (RuPay Platinum) to eligible RuPay card holders. The RuPay Insurance programme will continue for financial year 2016-17, i.e. from April 01, 2016 to March 31, 2017.*

**QUESTION 3: Can I use my debit card if I have not used it for long?**

**ANSWER:** *Yes. It may however require activation. Please check the forwarding letter that came with your debit card. Please check your Bank website.*

#### **QUESTION 4: How do I generate a PIN ?**

**ANSWER: Banks provide PIN by mail, which is either dispatched by bank to the cardholder address. Some banks also offer Green Pin facility online. Banks also facilitate change of PIN to suit your requirements.**

#### **QUESTION 5: What are the recent steps taken for promoting debit card payments?**

**ANSWER: Some of the recent initiatives towards popularizing Debit card usage are: MDR (Merchant Discount Rate) which a merchant (Shopkeeper) pays the Bank for POS transaction are reduced to zero on debit cards till 31th, December 2016. Excise duty payable on acquisition of POS machine which was earlier 16.5% has been waived till 31st March 2017.**

#### **QUESTION 6: What should you do if a shop asks you for an additional amount for use of your debit card?**

**Answer: As per the norms prescribed by card networks, shops should not ask for any additional amount called surcharge or convenience fee. You can refuse to pay an additional amount for use of your card and register complaint to your bank on its website or otherwise.**

#### **QUESTION 7: Can one refuse to pay additional amount as banks have waived their charges on one of debit cards till 31st December 2016.**

**Answer: Although all banks have waived MDR up to Dec 31, 2016, customers are not required to pay additional amount even after that if demanded by the shopkeeper, as this is to be paid by the shopkeeper.**

#### **QUESTION 8: Why should Merchant encourage card use?**

**ANSWER: Merchant are benefitted to encourage debit card transaction as:**

- **Cost of Digital transaction is lower than handling Cash.**
- **Deposition of cash in bank is not required as the amount will be automatically credited to account.**
- **Credit History is created for the merchant which will help him in taking more support from banks and other financial initiatives of government time to time.**
- **Manual reconciliation is not required at merchant side. He can always refer to his account.**
- **Accepting payment cards can enable merchants to increase their revenues**
- **Increased sales: Cards enable consumers to make quicker and easier payments.**
- **Better customer service: Electronic payments offer customers more flexible payment options - faster checkout times for customers and a more efficient way of paying. Also, innovations such as Equated Monthly Instalment (EMI) payments, allow consumers the ability to purchase and take possession.**