



What is the new RBI Guideline on storing of card credentials with online merchants?

As per RBI's Guidelines on Regulation of Payment Aggregators and Payment Gateways, neither the authorised Payment Aggregators (PA) nor the merchants can store customer card credentials within their database or server after 30 September 2022.

How do these guidelines impact me and what are my options?

When you shop online, you have the option to save your card details (number, expiry date, etc.) on the e-commerce platform. This makes repeat shopping on that website more convenient because you don't have to re-enter card details each time. This feature will be discontinued and your saved card details will be removed starting 1 October 2022 when regulations come into effect.

However, if you choose to secure your card on that e-commerce site by opting for tokenisation, then your card details will remain for subsequent transactions, although in a more secure tokenised format. You will therefore be able to enjoy the convenience of repeat and safe online shopping without having to re-enter card details for every transaction.

Will my card payment experience be impacted after tokenisation?

No, after 1 October 2022, in case you have already stored your card details with merchants in India, then the merchants will delete the data which is not tokenised. The merchant websites can offer you to save the card securely only if they can secure this with tokenisation. Post 1 October 2022, you will need to complete your transaction by entering card details. In case you wish to store the details for faster checkout experience from your usage next time onwards; you can save your card by providing your consent and authenticating the transaction with second factor authentication i.e. OTP. You will be able to see last 4 digits of your stored card in the payment section which will simplify your experience for future payments.

How can I manage my tokenised cards?

From 1 October 2022 onwards, customers can call HSBC PhoneBanking service to place a request to manage their tokenised cards. Cardholders can call PhoneBanking who will assist in providing the details of the tokenised card/deletion of tokens for the respective card.

Is the tokenisation applicable to all e-commerce merchants in India or overseas or both?

The tokenisation mandate is applicable only for merchants based in India. You may not get the same option for overseas merchants. Not all overseas merchants offer tokenisation services. Customers are requested to use their discretion while saving their card details for all such merchants.

Will tokenisation have any impact on the POS transactions that the Cardholder does at merchant outlets?

No, tokenisation is only required for conducting the online transactions (e-commerce websites).

What will happen to the token once the customer's card gets replaced, renewed, reissued, or upgraded?

The customer should visit the merchant page and create a fresh token.

Will the card tokenisation need to be done at every merchant?

A token must be unique to the card at a specific merchant. If the customer intends to have a card on file at different merchants, then tokens must be created at all the merchants.

If the Cardholder is having three different cards, then is the Cardholder expected to create 3 different tokens at the same merchant.

As mentioned earlier, token must be unique for a combination of card and merchant.

Can a card issuer refuse tokenisation of a particular card?

Based on risk perception, etc., card issuers may decide whether to allow cards issued by them to be registered by a token requestor/merchant.

Where can more information on RBI instructions on tokenisation be found?

The circular issued by RBI on tokenisation is available on the RBI website at the path https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=11449&fn=9&Mode=0