

## Frequently Asked Questions

### 1) What is Payment Hierarchy?

Payment hierarchy is an allocation of payment on your credit card account for different plan types which currently includes EMI as applicable on balance build products like Loan on Phone/Cash on EMI/Instant EMI, purchases, cash withdrawal and Balance Transfer option.

### 2) How has the current payment hierarchy changed?

The allocation of payments will now be towards high interest bearing plans, followed by lower interest bearing plans in a descending order.

### 3) When is the new payment hierarchy coming into effect?

The new payment hierarchy will come into effect on 5 August 2013.

### 4) How is the new payment allocation logic (payment hierarchy) different from the existing one?

Herewith (see below) the payment allocation in a tabular format for your easy reference.

Before	Effective 5 August 2013
Payments made to the cardholder's account will be settled in the order of Minimum Payment Due, Balance Transfer (BT) outstanding, fees and charges, Cash advances and Purchase outstanding.	In the revised hierarchy, the payment allocation will take place to the extent of Minimum Payment Due, in order of the following 'plans' i.e. EMI, Cash advances, Purchase outstanding and Balance Transfer, in descending order of interest rates.
In addition, the allocation of payment will be such that the transaction/fees billed after your last statement but not yet paid, will get paid off before any charges/fees incurred after your last statement date and are yet to be reflected on your statement.	

### 5) How will the new payment hierarchy affect me?

Any payment in excess of the Minimum Payment Due will be applied to the plans with the highest interest rate first. Hence, you will benefit by way of lower interest expenses incurred on the credit card. However, the impact of the new payment allocation logic will vary for different card accounts depending on the nature of spends and usage of the credit card.

### 6) What will be the payment allocation if I pay more than the statement balance?

Any payments in excess of the statement balance will be allocated to any unbilled fees and charges followed by the unbilled principal balances, starting from balances with the highest interest rate, in the credit card account, if any.

### 7) I have further queries on the new payment hierarchy, whom should I contact?

You may call our PhoneBanking numbers mentioned on the back of your credit card or under the 'Call Us' section of our website [www.hsbc.co.in](http://www.hsbc.co.in). Alternatively you may write to us with your queries on [info@hsbc.co.in](mailto:info@hsbc.co.in).