

Frequently Asked Questions (FAQs) for HSBC Credit Cardholders seeking moratorium

(This is applicable only for retail Credit Cardholders, excluding corporate Credit Cardholders)

1. Most Important and Frequently Asked Question: Will interest be levied on the Credit Card amount not paid by me during the moratorium period?

YES, interest will accrue and become payable later on the card balances (and EMIs) not paid during the moratorium. The applicable interest rate will be as per T&Cs of your card variant and can go up to 42% per annum levied from the date of each transaction. Until now, you may have been paying the total amount by the due date. In which case, you would not have paid any interest. However, by using the moratorium option, interest (up to 42% p.a.) will accrue from the date of each transaction until payment is made post moratorium. In the month following moratorium, you will have to pay the entire cumulative amount of deferred moratorium balances, EMIs and applicable interest plus all new balances generated in the recent months. This may significantly increase the amount payable as per the Credit Card statement post your moratorium period, so please consider this carefully before applying for the moratorium.

2. What is the moratorium/relief scheme that is being offered? Which products are covered under this scheme?

- The Reserve Bank of India (RBI) has permitted Banks to grant a moratorium of six months on payment of all instalments falling due between 1 March 2020 and 31 August 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by six months after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.
- Instalments will include the following payments falling due from 01 March 2020 to 31 August 2020; (i) principal and/or interest components; (ii) bullet repayments; (iii) Equated Monthly instalments; (iv) Credit Card dues.
- HSBC is currently offering moratorium period for Home Loans, Loans against property, Personal Loans and Credit Cards for its Wealth and Personal Banking (WPPB) customers. The Credit Card related points are covered in this document.

3. What is the specific duration of the moratorium period offered by HSBC for Credit Cards?

Moratorium is applicable for customers whose Credit Card payments are due between 01 March 2020 and 31 August 2020.

4. Does the moratorium automatically apply for my Credit Card? How do I know whether I am eligible for the scheme?

- Yes, Moratorium will apply automatically for your HSBC Credit Card account, basis the following eligibility criteria,
 - Moratorium is applicable for payments due between 01 March 2020 to 31 August 2020.
 - There should not be any outstanding overdue payments on your HSBC Credit Cards as of end February 2020.
 - Accounts which are permanently blocked or closed and not within the bank's risk policy will not be eligible for moratorium
 - New accounts booked post 01 March 2020 will not be eligible for moratorium

If you meet the above mentioned criteria and you are unable to pay during the moratorium period, the moratorium will be automatically applied to your account and the next payment due will be deferred to September 2020.

If you continue to pay the amount due on your Credit Card during the moratorium period, there will no change in your payment schedule as per the contracted terms.

5. Why did I receive a Credit Card statement in May 2020 asking to pay minimum due amount in June 2020, while my account was already on Moratorium?

- The moratorium period announced by the regulator in March 2020 was for 3 months with an expiry date of 31 May 2020. Considering the due date of your statement was in June 2020, outside of moratorium period, the statement generated in May 2020, requested for minimum payment due as per the T&C's of your card variant. However, considering the recent notification from the regulator on 23 May 2020, moratorium period has now been extended on your Credit Card account till 31 August 2020.

6. Can I place a request for removal of my Credit Card account from Moratorium on making complete payments?

- Yes, Your Credit Card account will be included for moratorium on non-receipt of the minimum payment due by the due date. Once included, the account will remain under the Moratorium plan for the entire period as defined in point 4 above.
- It is important to note that, you may continue to make payments towards the net outstanding balance to avoid any interest charges and there are no restrictions around the same.
- Also there will be no adverse impact on bureau reporting, even if your account is part of the moratorium measures provided by HSBC.
- However, if you still wish to remove your Credit Card account out of Moratorium, then you can simply SMS, OPTOUT 1234 to 575750 from your registered mobile number by 02 August 2020. (kindly note, 1234 in the SMS text refers to the last 4-digits of your primary Credit Card number)

7. Do I need to pay my Credit Card dues in case I am offered moratorium owing to non-payment of the outstanding payment during this period?

- If you wish to make a payment towards the Credit Card outstanding, then you may do so. Amount paid will be adjusted against the outstanding balance on the Credit Card
- If your account is over limit during the moratorium period, then the same will reflect as part of the 'Minimum payment' due in your credit card statement. You would have to pay the over limit amount to avoid the over limit fee, however there will be no levy of late payment charges for non-payment during the moratorium period.
- You may refer to 'Net Outstanding balance' in your monthly card statement in case you wish to make a payment during moratorium.

8. What happens if I have an existing loan EMI product such as Cash on EMI, Balance Transfer, Loan on Phone, Merchant EMI or Balance conversion plans?

- EMI for your loan(s) taken on the card will continue to appear in your statement during the moratorium period (payments due between March 2020 to August 2020). However, you may choose to not pay, in which case the following points need to be considered.
- All unpaid amounts (including EMIs) will become payable September 2020 onwards. However, to avoid accumulation and payment of all unpaid EMIs immediately post the moratorium period ends (in September itself), we have adopted the following approach to provide further payment relief:
 - All unpaid EMIs during the moratorium period (split by Principal and Interest) will be consolidated and converted into a maximum of 6 equal instalments (between 1 to 6 EMIs depending on the number of month's moratorium offered) and will be added to the end of the existing instalment loan with the longest tenor on the Credit Card account.

(For example, you have 2 loans - first with an EMI of ₹3,000 ending in October 2020 and second with an EMI of ₹2,000 ending in December 2020. Assuming moratorium was availed of for 6 months on both loans, then the accumulated unpaid EMI amount of ₹30,000 (3,000x6 plus 2,000x6) will be split in 6 EMIs of ₹5,000 each and will be payable during the period January 2021 to June 2021).
 - This deferment of the EMI will be at no additional interest charge. However, since this is not an EMI/interest waiver, interest will continue to accrue during the moratorium period at applicable interest rate and terms. There will be no additional interest when the consolidated unpaid EMI amount is deferred to a later date as explained in the example above.
 - The amount converted and applicable to be paid at a later date will be mentioned in the statement till the time the same is due.
 - You can make a prepayment of these consolidated EMIs at any point of time at no additional pre closure charges. Prepayment charges will continue to apply on all other EMIs/loans as per standard terms agreed earlier.
 - The GST amount applied during the moratorium period will be reversed as this will be applicable and be required to be paid when the EMI is billed again as explained in point (b-i) above.

Additional important note for points 7 and 8 above:

In case you qualify for moratorium by virtue of missing your payment due in August 2020 (no delays between March 2020 to July 2020) and your statement is generated after 08 of the month (15 of the month for Cashback Credit Cards), the following 2 points will be applicable for you:

- a. Your card statement generated in August - 2020 will show the actual due amount applicable. This is because whilst you are eligible for moratorium until 31 August 2020, your next due date will be in September 2020 (post moratorium).
- b. If you have taken a loan on the card (EMI facility) then you will be required to pay 2 EMIs in September 2020 (one each for August 2020 and September 2020).

9. Will I be charged interest and late payment fees during the moratorium period?

- a. During the moratorium period, as per the billing cycle dates, interest charges (at standard interest rate as per the card variant in accordance with the applicable terms and conditions) will be levied.
- b. There will be no late payment charges towards non-payment of dues during the moratorium period.
- c. For example, if you have been regularly paying the total amount due till February 2020, and now qualify for the moratorium, then interest will be calculated as per the standard interest rate of the card variant (up to 42% p.a.) on the balance outstanding till the end of the moratorium period.
- d. We encourage you to carefully consider this to avoid significant increase in the amount payable as per the card statement post the moratorium period, which will be significantly higher than it would have been without the moratorium option.

10. I have already applied for the moratorium package by submitting the online application form – what do I need to do now?

Once your moratorium request is approved by the Bank, you will receive a confirmation email on the registered email address. You will not be required to do anything and your next EMI will be deferred to September 2020.

In the event that your request for moratorium is not approved, you will receive an intimation of the same on your registered e-mail address.

11. I have a Credit Card with another bank and they have offered me a moratorium, will I get the same here?

Under the guidelines provided by the RBI, each Bank has defined their criteria for customers to be eligible for the scheme. Hence, it is not necessary that if one Bank has granted a moratorium, you will be eligible for a similar facility in another Bank.

12. What happens after the moratorium period ends?

- a. In the month following moratorium, you will have to pay the entire amount of deferred moratorium balances, EMIs and applicable interest plus all new balances generated in the recent month. This is further explained below.
- b. Credit Card statement will have a similar split of total outstanding balance and Minimum payment due.
- c. The following will form a part of the total Credit Card outstanding balance,
 - i. All unpaid balances – This will include unpaid balance before the moratorium period and fresh purchases made during the moratorium period.
 - ii. EMI balances – EMI pertaining to the loan plans, if the customer has opted for it, as applicable during the moratorium period.
 - iii. Interest charges on all unpaid balances including EMI balances as described in points (i) and (ii) above.
 - iv. Other applicable charges as mentioned in the product T&Cs only as applicable.
- d. The minimum payment due on the account post moratorium period will be calculated as per the regular T&C of the card variant.

13. Can I opt for a fresh loan product such as Balance transfer, Cash on EMI, Balance conversion or Loan on Phone during the moratorium period?

- a. No, You will not be eligible for these products during the moratorium period.
- b. You will also not be eligible for other loan products such as personal loan, additional Credit Card, etc. during the moratorium period.

14. Will I be able to change my statement cycle during moratorium period?

No, You will not be able to change your statement cycle during the moratorium period.

15. Will my Credit Card statement be generated during the moratorium period?

Yes, the Credit Card statements will be generated and shared during the moratorium period, but no payment needs to be made against the same.

16. Will my credit limit be changed during moratorium period?

No, Your credit limit will not be changed during the moratorium period. However, the overall governing T&Cs as per the Credit Card variant will continue to be applicable.

17. What happens if I am not found eligible for the moratorium?

If you are found to be ineligible for a moratorium on your existing loan from HSBC, you will have to pay the due instalment/interest amount as per the existing schedule of repayment. We urge you to make your repayment as per contracted terms. Any delay in payment is likely to get reported to the credit bureau as non-repayment.

18. I have multiple Credit Cards of HSBC Bank. Can I opt for moratorium on only one of my cards?

No, The moratorium period will get automatically applied upon non-payment of dues during the period and upon meeting the qualification criteria as detailed above.

19. Will my account get reported for non-payment due to the moratorium to the Bureau and for other regulatory requirement?

No, your Credit Card account will not get reported for non-repayment if HSBC has qualified the account for moratorium.

20. Is there any way that the payments made during the moratorium period be reversed back into my account/transferred back to me?

No, The payments already made towards the Credit Card account during the moratorium period cannot be reversed back.

21. Will the bank initiate a hold on Standing Instruction (SI) linked to an HSBC account payment option during the moratorium period?

If you do not pay the amount due for any month during this period, then you will automatically get moratorium relief. In such cases, SI to the HSBC account will be held back for subsequent months.

However, we will continue to present these instructions in case you have been regularly paying your monthly card payment dues.