

HSBC INDIA WEALTH AND PERSONAL BANKING (WPB) – DEBIT CARDS

(1) EXECUTIVE SUMMARY

HSBC India WPB offers Debit Cards to customers opening a bank account with HSBC and showing an interest to avail Debit Card. Operations of the Debit Card business is in accordance with prevailing regulatory guidelines as issued by Reserve Bank of India (most recently and importantly, Master Direction – Credit Card and Debit Card Issuance and Conduct Directions, 2022 dated 21 April 2022) and also per HSBC's internal policies and procedures.

Product Variants

As of June 2022, HSBC India WPB offers the following range of Debit Cards to eligible individual customers across the following product variants:

- HSBC Premier Platinum Debit Card
- HSBC Classic Debit Card

(2) WPB DEBIT CARD ISSUANCE AND OPERATIONS POLICY

1. Card Issuance
 - a. Issuance of debit cards by WPB is as per this policy. Any modification to the existing suite of debit card types mentioned above will be done with suitable management oversight and endorsement.
 - b. Debit cards are issued to customers who avail of the following account facilities - 1. Savings/Current Bank accounts holders 2. Smart Home Loan Account 3. Personal Line of Credit. It is issued to customers showing interest at the time of application to all above 10 years of age. Customers holding Joint account which 'Jointly operated' are not issued Debit Cards.
2. Types of debit cards
 - a. WPB issues only online debit cards, where in there is an instant authorisation for the transaction and the consequent debit to the customer's account is by means of a straight through process.
 - b. Offline or Smart debit cards: WPB does not offer such debit cards to its customers.
3. The accounts against which debit cards are offered are opened as per Line of Business Procedures (LoBP) in force from time to time and are therefore compliant with Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002 and Guidelines issued by the RBI from time to time.
4. The following terms and conditions apply for issuance of debit cards to WPB customers. These are informed to the customer through the Service Guide/Terms and Conditions booklet given to the customer at the time of application, issuance and usage of new debit card:
 - a. WPB issues debit card to its customers on request either at point of account opening or later.
 - b. WPB does not dispatch a card to a customer unsolicited, except in the case where the card is a replacement/renewal for an existing debit card held by the customer.
 - c. The relationship between The Hongkong and Shanghai Banking Corporation Limited, India (Bank) and the card holder is contractual.
 - d. WPB makes available to the customers in writing/through electronic means, a set of contractual terms and conditions governing the issuance and usage of card. The terms are expressed clearly.
 - e. The Service Guide contains the Tariff schedule. Tariff schedule specifies the charges as applicable for the issuance/operation/usage/termination of the card. The Tariff sheet is also updated on the Bank's website. The terms shall mention that the charges will normally get debited to the customer's account within a maximum of 60 calendar days from the date of transaction, unless otherwise specified therein.

- f. In case any alterations are proposed to the existing terms and conditions governing the debit cards, such alterations will be effected post giving a prospective notice of 30 days to the card holder. The customer may choose to withdraw within these 30 days in case the alterations are not acceptable to him. A debit card holder also has a period of ten days from the date of card dispatch to withdraw/return the debit card. This period is specified in the Terms and Conditions after which time the cardholder is deemed to have unconditionally accepted the terms if he had not withdrawn during these ten days.
- g. The terms put the Cardholder under an obligation to take appropriate steps to keep safe the card and the means (such as PIN or code) which enable it to be used.
- h. The terms put the Cardholder under an obligation not to record the PIN or code, in any form that would be intelligible or otherwise accessible to any third party if access is gained to such a record, either honestly or dishonestly.
- i. The terms put the Cardholder under an obligation to notify the Bank immediately after becoming aware:
 - i. Loss or theft or copying of the card or the means which enable it to be used;
 - ii. Of the recording on the Cardholder's account of any unauthorised transaction;
 - iii. Of any error or other irregularity in the maintaining of that account by the Bank.
 - iv. The terms specify that such notification can be made to the HSBC Phone Banking numbers informed to the debit card holder. Such notification can be made at any time of the day or night.
 - v. The terms specify that the Bank shall exercise care when issuing PINs or codes and shall be under an obligation not to disclose the Cardholder's PIN or code, except to the Cardholders.
 - vi. The terms shall specify that the Bank shall be responsible for direct losses incurred by a Cardholder due to a system malfunction directly within the bank's control. However, the Bank shall not be held liable for any loss caused by a technical breakdown of the payment system if the breakdown of the system was recognisable for the Cardholder by a message on the display of the device or otherwise known. The responsibility of the Bank for the non-execution or defective execution of the transaction is limited to the principal sum and the loss of interest subject to the provisions of the law governing the terms. The compensation payable to the customer will be in line with the section on 'Erroneous Debits arising on fraudulent or other transactions as stated in the Compensation Policy of the Bank.

5. Cash withdrawals

- i. No Cash transactions are offered by WPB at Point of Sale through debit cards.
- ii. Customers can use Debit Cards for cash withdrawal or account maintenance at any of the HSBC ATM or other Bank ATM's under Visa network

6. Security and other aspects

- a. WPB ensures security of the debit card. The security of the debit card shall be the responsibility of the Bank and the losses incurred by any party on account of breach of security or failure of the security mechanism shall be borne by the Bank (WPB) as per the Compensation Policy of the Bank
- b. WPB shall keep for a minimum period of eight years, internal records to enable operations to be traced and errors to be rectified (taking into account the law of limitation for the time barred cases). The debit card transactions are captured in the customers' account statement and hence the retention period of the records will be same as that of the statements.
- c. The customers are provided with a written record of the transaction after they have completed the transaction either immediately in the form of transaction slip (offline Merchant) and within a reasonable period of time by means of the monthly bank statement. An SMS is also triggered to the customer's mobile number if the number is registered with the Bank.
- d. WPB currently offers lost card liability protection of up to ₹500,000 for Premier customers and ₹400,000 for non-premier customers for the loss, theft or copying of the card sustained up to the time of notification to the Bank, except where the cardholder acted fraudulently, knowingly or with extreme negligence.
- e. WPB customers can call the 24-hour PhoneBanking service whereby customers may at any time of the day or night notify the loss, theft or copying of their debit card. In addition to Contact Centre, customer can use Chat option on Mobile Banking or Intimate the nearest Branch of such loss/theft.
- f. On receipt of notification of the loss, theft or copying of the card, Bank shall immediately block the card to stop any further use of the card. This is informed to the customer on the same call that his /her card is blocked.

g. With a view to reducing the instances of misuse of lost/stolen cards, RBI has mandated the use of PIN for purchase transactions from 30 June 2013 onwards. WPB has enabled this facility for its customers from the mandated date.

7. Compliance with DPSS instructions

The issuance of debit cards by WPB, as a payment mechanism is subject to relevant guidelines including guidelines on security issues and risk mitigation measures, card-to-card fund transfers, merchant discount rates structure, failed ATM transactions, etc. issued by the Department of Payment and Settlement Systems under the Payment and Settlement Systems Act, 2007, as amended from time to time.

8. Issue of International Debit Card

International debit cards are issued as per the directions issued under Foreign Exchange Management Act, 1999, as amended from time to time.

9. Review of operations

WPB will undertake review of its debit card operations/issuance on half-yearly basis. The review will include, inter-alia, card usage analysis including cards not used for long durations due to their inherent risks and action taken thereof and this review will be tabled in the WPB EXCO.

10. Co-branding arrangement

WPB does not issue co-branded debit cards.

WPB intends to continue its sole arrangement with VISA as a Payment Network. This arrangement with VISA is as per the guidance from Region. Internal processes as regards WPB's debit cards will be reviewed and updated basis the above policy.

(3) CUSTOMER CONDUCT AND GRIEVANCE REDRESSAL

The grievance redressal policy of the Bank for handling customer complaints (including the ones laid down in the Master Direction – Credit Card and Debit Card Issuance and Conduct Directions, 2022) is available on the home page on the website (PWS) and is approved by the Board. This is reviewed annually during which Executive Committee members are invited to review and approve the Grievance Policy Mechanism for the Bank.

The Bank's Grievance Redressal policy follows the following principles:

1. Customers are treated fairly at all times.
2. Complaints raised by customers are dealt with courtesy and in a timely manner.
3. Customers are informed of avenues to escalate their complaints within the organization, and their rights if they are not satisfied with the resolution of their complaints.
4. Complaints are treated efficiently and fairly.
5. The Bank employees work in good faith and without prejudice, towards the interests of the customers.

WPB has in place an effective mechanism for redressal of customer complaints. The grievance redressal procedure and the time frame fixed for responding to the complaints is placed on the Bank's website. The name, designation, address and contact number of important executives as well as the Grievance Redressal Officer is displayed on the website. If a complainant does not get satisfactory response from the bank within a maximum period of thirty (30) days from the date of lodging the complaint, the card holder has an option to approach the Office of the concerned Banking Ombudsman for redressal of grievance/s. DPSS guidelines on timeframe for reconciliation of failed transactions at ATMs as amended from time to time are complied with in this regard.

(4) CUSTOMER PROTECTION AND CONFIDENTIALITY

As a bank, HSBC is used to thinking about security. The growth of the internet, cards ecosystem and newer payment platforms has offered greater flexibility to customers, but it also brings new risks that must be guarded against. At HSBC, we use industry standard security technology and practices, focusing on three key areas – privacy, technology and identification – to safeguard your account from any unauthorized access. The Bank has taken suitable measures

to address these risks – through a combination of checks at our end and also through heightened customer education.

These are covered as part of the HSBC Safeguard programme and also other ongoing initiatives that are prominently displayed on our website under the sections:

Security Centre | Help and Support – HSBC IN
Online Security & secure usage tips | Help – HSBC IN

We also make it easy for our Cardholders to raise disputes or report misuse of the card through PhoneBanking or through online modes - Online dispute form (hsbc.com)

Also, we do not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organisation without obtaining their explicit consent, with regard to the purpose(s) for which the information will be used and the organisations with whom the information will be shared. We ensure strict compliance to the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information with other agencies, we explicitly state and explain clearly to the customer the full meaning/ implications of the disclosure clause. The information sought from customers is of such nature which not will violate the provisions of law relating to maintenance of secrecy in the transactions. This is clearly laid down in the application form under sections labelled as Declaration, Disclosures and Customer Consent.

This Board approved policy is in accordance with the RBI Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 April 21, 2022, details of which can be seen on: 92MDCREDITDEBITCARD423AFFB5E7945149C95CDD2F71E9158.PDF (rbi.org.in)

For additional ease of reference to our customers (Cardholders), HSBC has also hosted an FAQ (Frequently Asked Questions) section on the public website – Accounts FAQs | Help and Support – HSBC IN

This section is refreshed periodically and will revised to also reflect ongoing changes on account of internal guidelines or regulatory changes.