THE HINDU BusinessLine

'Customers must be educated on usage of cards'

K Ram Kumar

Under the Pradhan Mantri Jan Dhan Yojana, about 19 crore debit cards have been issued to customers so far

Bank depositors' body also says a hassle-free complaint resolution mechanism should be made available 24x7

Mumbai, October 28:

The All India Bank Depositors' Association has expressed concern at banks aggressively pushing debit cards to customers, including to Pradhan Mantri Jan Dhan Yojana (PMJDY) customers, without properly educating them on their usage.

This comes in the backdrop of the recent serious case of card data compromise coming to light.

Last month, 19 banks in the country received complaints from 641 customers about fraudulent transactions (mainly from China and the US while the customers were in India) totalling ₹1.30 crore.

Ashok Ravat, Honorary Secretary, All India Bank Depositors' Association, said the cards push, be it ATM cards, credit cards or debit cards, by banks is happening without properly educating customers.

He underscored that "a card involves changing PIN, changing password and so many things. Unless the customer is properly educated regarding digital handling of his money, he should not be allowed to access alternative banking channels. And that should be the responsibility of each bank. They are supposed to do it but they are not doing it."

For example, a customer receives a message that from his account, say, ₹30,000 has been withdrawn.

Now, the customer should be literate enough to understand the meaning of the message he received from his bank.

Complaint resolution

Ravat explained: "If that is not happening then what will the customer's reaction be? He will think that the bank has intimated him something. That is all. But then it could be a fraudulent transaction.

"....And now when banking services are available on alternative channels, such as ATMs, internet and mobile phones 24x7, then in case of an emergency, a hassle-free customer complaint resolution mechanism should also be available 24x7." Currently, banks send transaction alert messages only in English.

The Association Secretary felt that banks should take steps to send the messages in the customer's language so that he is aware of the transactions taking place in his account.

On the issue of educating customers, Ravat said short videos on TV and other mass media should be brought out by organisations such as the Indian Banks' Association in order to create more awareness about transacting via alternative banking channels. Money from the Reserve Bank of India's depositor education and awareness fund could be used towards this end.

Under the PMJDY, which was launched in August 2014 to ensure access to various financial services — including basic savings bank account, need-based credit, remittances facility, insurance and pension to the weaker sections and lowincome groups — about 25 crore new accounts have been opened, with about 19 crore debit cards being issued to customers, as on October 19.

Ravat observed that customer awareness programmes should be specifically aimed at PMJDY customers so that they don't fall prey to fraudulent transactions.

(This article was published on October 28, 2016)