

ICICI BANK CUSTOMER FIRST SERIES

A consumer education initiative

Credit Card Series I: Article 6 of 6

TIMES BUSINESS ASSOCIATE COMMUNICATION

Now it's Clear!!



In this concluding part of the six-part series on credit cards, we answer some of the queries posted by readers. These queries cover a range of concerns faced by customers and the answers are likely to be informative to several others. They cover a range of topics from exceeding of credit limits, personal loans against cards, balance transfer and credit history.

I used my credit card to subscribe to the membership of a club. After my card was swiped, I changed my mind. I asked the merchant to reverse the transaction, which he refused. Can I now write to my bank, asking for stopping the payment to the merchant?

Varun Maheshwari - Delhi

Your credit card is not a cheque, and therefore does not have the 'Stop payment' facility. The settlement of dues to vendors is made by payment networks like Visa and Master, and the collection of dues is done by the card-issuing bank. You will have to consider your options carefully before

swiping the card. However, if the merchant agrees to your request for cancellation, you can claim a chargeback as per the laid out process that most banks follow.

I have registered with my credit card issuer for regular payment of my electricity bill and cellphone bill. If I have exceeded my credit limit in a particular month, will the bills still be paid or not?

Mayank Upadhyay - Bangalore

If there is no balance on your credit card, the bill for that particular month will not be paid. Card-issuing banks usually inform the customer by e-mail

or SMS when there is no balance for paying a bill. You have to pay that particular bill by yourself. The service will get reactivated when you pay your card dues and your credit card balance has been restored.

I have just changed my address and the credit card statement date is close. How can I receive my statement and pay the bills?

Nishant Tejwani - Mumbai

You can call the customer care number of your card-issuing bank and register your new address. To ensure that you don't incur any charges, you can download

your statement from the website of the card-issuing bank, obtain the balance outstanding and make payment. You can also get the balance outstanding from the customer care staff. Registering for e-statements and the SMS service that alerts you when your bill has been dispatched will help in getting your statements in time.

What happens if I cross the limit on my credit card?

Kashyap Shah - Mumbai

If you make a transaction that exceeds your available credit limit, the card-issuing bank will use its discretion, and on the basis of its own scoring and credit assessment criteria including your credit history, decide whether or not to approve the transaction. If the transaction is approved, an over-limit charge would be levied to the credit card account. The over-limit charge is about 2.5% of the amount by which the credit limit is exceeded.

Can I take a personal loan against my credit card limit?

Divya Dugal - Kolkata

Yes, it is possible to call the customer care number and ask for the limits for a personal loan against a card. Ask for the loan amount that you need, and the terms such as tenure, interest rate and EMI (equated monthly instalment). A processing fee will be charged to your credit card. The monthly instalments will be added to the transactions on the card statement every month and will include interest

calculated at the personal loan interest rate, which is lower than the interest rate on cash withdrawals using a credit card.

What if I switched from one card-issuing bank to another, when I cannot pay my dues?

Darshan - Mumbai

Credit bureaus are now being set up to capture the loan repayment history of retail borrowers. This database will be available to all lenders, who will be able to refer and cross-check your conduct with respect to loans that you have taken. If your repayment history is bad, you may find getting any loan, including credit cards, difficult. A good repayment history will enable you to get loans at a better interest rate.

If I transfer by credit card balance from one bank to another, will the bank that takes over my balances pay me?

Faisal Shaikh - Mumbai

No. The bank that takes over your balances will pay your card-issuing bank, by issuing a demand draft payable directly to your card account. In a balance transfer, you will get the benefit of a cooling-off period of a maximum of 90 days, when no interest is charged on your transferred credit card balance. This duration of this period varies from bank to bank and gives you the time to organize funds to pay off your dues.

Center for Investment Education and Learning

DID YOU KNOW?
Just as you preserve the charge slip in an offline merchant transaction, it is important to preserve the transaction ID in an internet transaction. This will enable speedy redressal of complaints arising from possible errors in internet transactions.



"Crossed limit"?
What are you talking about?
My credit card or drinks??"

GET SET KNOW
CONTEST

Question
Which of the following is NOT a facility available against credit cards?

Answer
A. Balance transfer
B. Cash withdrawal
C. Loan against shares

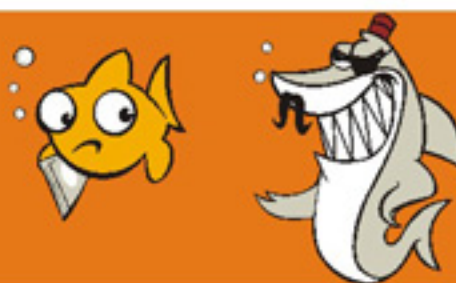
To answer, SMS DISRA A, B or C to 53238 and win a 24 3D holiday.*
Contest open for the day of publication.

* Terms and conditions apply.
Visit www.dishafc.org for details and winners.

We welcome your questions, suggestions and feedback on this column. Please use the Email Us link at www.icicibank.com or send us an SMS to 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.



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