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All About ATM

Different types of cards issued by banks in details. Keep Learning, Keep Rising.

There are several different types of cards issued by the banks which allows you to access your money. Current accounts usually include the option of an ATM card and often a debit card. Most banks offer both ATM and debit facilities on the one card.

The debit card has been around since 1966, which means banks have had a lot of time to figure out new ways to charge you for using your own money.

Different Payment cards and its features of each type of card for better understanding:

- **Credit Card:** A feature of a credit card is that the issuer of the card creates a line of credits (usually called a credit limit) for the cardholder on which the cardholder can draw (i.e., borrow) for payment to a merchant in making a purchase or as a cash advance to the cardholder. Most credit cards are issued by or through local banks or credit unions, but some non-bank financial institutions also offer cards directly to the public.
- **Debit Cards:** A feature of a debit card (also known as *abank card*, *check card* or some other description) is that when a cardholder makes a purchase funds are withdrawn directly from either the cardholder's bank account or from the remaining balance on the card. In some cases, the "cards" are designed exclusively for use on the Internet, and so there is no physical card.
- **Charge Card:** A feature of a debit card (also known as *abank card*, *check card* or some other description) is that when a cardholder makes a purchase funds are withdrawn directly from either the cardholder's bank account, or from the remaining balance on the card. In some cases, the "cards" are designed exclusively for use on the Internet, and so there is no physical card.
- **ATM card:** An ATM card (known under a number of names) is any card that can be used in automated teller machines (ATMs) for transactions such as deposits, cash

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withdrawals, obtaining account information, and other types of transactions, often through interbank networks. Cards may be issued solely to access ATMs, and most debit or credit cards may also be used at ATMs, but charge and proprietary cards cannot.

- **Stored- Value Card:** A feature of a stored-value card is that a monetary value is stored on the card, and not in an externally recorded account and differs from prepaid cards where money is on deposit with the issuer similar to a debit card.
- **Fleet Card:** A fleet card is used as a payment card most commonly for gasoline, diesel and other fuels at gas stations. Fleet cards can also be used to pay for vehicle maintenance and expenses at the discretion of the fleet owner or manager.
- **Smart Card:** A smart card is plastic card about the size of a credit card, with an embedded microchip that can be loaded with data, used for telephone calling, electronic cash payments and other applications and then periodically refreshed for additional use.
- **RuPay Card:** *RuPay* is an Indian domestic **card** scheme conceived and launched by the National Payments Corporation of India (NPCI). It was created to fulfill the Reserve Bank of India's desire to have a domestic, open loop, and multilateral system of payments in India.
- **MasterCard:** Worldwide credit card corporation that works with financial institutions to issue credit cards. The credit cards distributed by the company are done so under the MasterCard brand, which is one of the three major credit cards accepted at vendors across the world. Master Card converted from a privately held company to a public company on May 25, 2006.

Let's now discuss thoroughly on different types of cards and its benefits in details by making different possible questions and their answers.

How many types of cards are available to a customer?

Ans: Cards can be classified on the basis of their issuance, usage and payment by the card holder. There are three types of cards

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- (a) debit cards
(b) credit cards
(c) prepaid cards

Who issues these cards?

Ans: Debit cards are issued by banks and are linked to a bank account. Credit cards are issued by banks / other entities approved by RBI. The credit limits sanctioned to a card holder is in the form of a revolving line of credit (similar to a loan sanctioned by the issuer) and may or may not be linked to a bank account. Prepaid cards are issued by the banks / non-banks against the value paid in advance by the cardholder and stored in such cards which can be issued as smart cards or chip cards, magnetic stripe cards, internet accounts, internet wallets, mobile accounts, mobile wallets, paper vouchers, etc.

What are the usages of debit cards?

Ans: The debit cards are used to withdraw cash from an ATM, purchase of goods and services at Point of Sale (POS)/E-commerce (online purchase) both domestically and internationally (provided it is enabled for international use). However, it can be used only for domestic fund transfer from one person to another.

What are the usages of credit cards?

Ans: The credit cards are used for purchase of goods and services at Point of Sale (POS) and E-commerce (online purchase)/ through Interactive Voice Response (IVR)/Recurring transactions/ Mail Order Telephone Order (MOTO). These cards can be used domestically and internationally (provided it is enabled for international use). The credit cards can be used to withdraw cash from an ATM and for transferring funds to bank accounts, debit cards, credit cards and prepaid cards within the country.

What are the usages of prepaid cards?

Ans: The usage of prepaid cards depends on who has issued these cards. The prepaid cards issued by the banks can be used to withdraw cash from an ATM, purchase of goods and services at Point of Sale (POS)/E-commerce (online purchase) and for domestic fund transfer from one person to another. Such prepaid cards are known as open system prepaid cards. However, the prepaid cards issued by authorized non-bank entities can be used only for purchase of goods and services at Point of Sale (POS)/E-commerce (online purchase) and for domestic fund transfer from one person to another. Such prepaid cards are known as semi-closed system prepaid cards. These cards can be used only domestically.

Is there any limit on the value stored in a prepaid card?

Ans: Yes, as per extant instructions, the maximum value that can be stored in any prepaid card (issued by banks and authorized non-bank entities) at any point of time is Rs 50,000/-

Can prepaid cards of lesser limits be issued?

Ans: Yes. The following types of semi closed pre-paid payment instruments can be issued by carrying out Customer Due Diligence as detailed by the banks and authorized non- bank entities:

I) Up to Rs.10,000/- by accepting minimum details of the customer provided the amount outstanding at any point of time does not exceed Rs 10,000/- and the total value of reloads during any given month also does not exceed Rs 10,000/-. These can be issued only in electronic form.

II) from Rs.10,001/- to Rs.50,000/- by accepting any 'officially valid document' defined under Rule 2(d) of the PML Rules 2005, as amended from time to time. Such PPIs can be issued only in electronic form and should be non-reloadable in nature.



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III) up to Rs.50,000/- with full KYC and can be reloadable in nature. The balance in the PPI should not exceed Rs.50,000/- at any point of time.

Who decides the limits on cash withdrawal or purchase of goods and services through use of a card?

Ans: The limits on cash withdrawal at ATMs and for purchase of goods and services are decided by the issuer bank. However, in case of cash withdrawal at other bank's ATM, there is a limit of Rs 10,000/- per transaction. Cash withdrawal at POS has also been enabled by certain banks wherein, a maximum of Rs.1000/- can be withdrawn daily by using debit cards.

Is the customer charged by his/her bank when he uses his debit card at other banks ATM for withdrawing cash?

Ans: As per extant instructions, the savings bank account customer will not be charged by his/her bank up to five transactions (inclusive of both financial and non-financial transactions) in a month if he/she uses an ATM of another bank. However, within this overall limit of five free transactions, for transactions done at ATM of another bank located in the six metro centres, viz. Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad, the free transaction limit is set to three transactions per month.

Where should the customer lodge a complaint in the event of a failed ATM transaction (account debited but cash not dispensed at the ATM)?

Ans: The customer has to approach his/her bank (bank that issued the card) to lodge a complaint in the event of a failed ATM transaction.

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