

A DETAILED STUDY ON DEBIT CARDS AND USAGE OF VARIOUS DEBIT CARDS IN CHENNAI CITY

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Research Article

A DETAILED STUDY ON DEBIT CARDS AND USAGE OF VARIOUS DEBIT CARDS IN CHENNAI CITY

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ABSTRACT

Necessity is the mother of all inventions. The term “Necessity” has created a drastic change among people’s life in this world. This has led to improvements in technology, which has incorporated into other sectors which includes banking as well. This incorporation has led to replacements of hard cash in to cashless society in terms of safety and usage. This study mainly focuses on history and details of debit cards, various types of debit cards and the satisfaction level among consumers in using debit cards in Chennai city. This article also suggests different ideas to the banking sectors on how the debit card usage among people can be increased in day-to-day life. Also similar to credit cards a new option called EMI (Equated Monthly Installment) has been enabled on certain debit cards which has also been covered in this study.

Keywords: Debit Cards, EMI, Satisfaction level, Technology, Hard Cash.

1. INTRODUCTION

The two major cards that has become a part of people’s life is Debit Card and Credit Card. These both play key role in governing and replacing hard cash amongst people as well as to banking sectors. The major difference between a debit card and a credit card is that, in credit cards the respective banks donate certain amount of eligible money to the consumers who can use those to purchase products and can pay the used amount along with interest in certain period of time but in Debit cards, the actual money earned by the consumers are stored inside a chip-based card which can be used to purchase products. There is no interest on Debit Cards. But in recent times in debit cards also EMI (Equated Monthly Installment) option is enabled on certain cards which allows

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transactions of debit cards without money in account and has to pay along with interest in Monthly Installments.

2. RESEARCH METHODOLOGY

This research is based on secondary data collected from various articles and journals and people's review was based on the questionnaire and email data collection.

3. TYPES OF DEBIT CARDS

Debit cards are classified into 5 different types in Indian banking sectors. The creation of debit cards is a boon to all the people in the society and has become an essential part of our day-to-day lives. Over the time, these cards reduced the long-standing queues at banks and it has also paved an easy way to access money using Automated Teller Machines (ATMs). These cards also replaced the usage of cheque books which were the main mode of payments before these cards were introduced. As the technology has grown past the time, debits cards were highly used and more business partners entered this segment, and its functionalities changed.

3.1 VISA Debit Cards:

These are the cards provided by banks in India that bear "VISA" on them. This company is known as Visa Inc, and it is a major multinational financial services corporation based in the United States. This is one of the businesses that are present in virtually every market around the world and their Visa cards are approved everywhere to facilitate both online and offline transactions.

This organisation associates a high security gateway named "Visa Payments Gateway" with it. The gateway features 24x7 customer support.

The numerous types of Visa cards are sorted according to their ranking: Classic, Gold, Platinum, etc. Based on these classifications, specific offerings and privileges were provided to consumers by the banks that matched their classification.

The Overdraft facility is one of the key advantages of these cards. The purpose of this feature is for consumers to go over their banking limits. Other than the Visa Electron debit card, which really doesn't enable clients to spend above the amount in their account, there are no exceptions.

Banks don't charge a fee for withdrawing the money from a stored-value card.

The only thing to remember is that in certain countries, such as Australia, Canada, the US, and Ireland, Electron debit cards really aren't accepted, which means these cardholders will have issues.

3.2 MASTER Cards:

MasterCard, like Visa cards, is a major American payments business approved by some foreign online shops shipping to India. This is a top-notch organisation that is well-known for its lightning-fast and secure payments as well as its world-class customer support.

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MasterCard debit cards come with a variety of advantages and incentive programmes, and these programmes vary depending on the type of card given by the bank.

3.3 RuPay Cards:

RuPay was launched as part of India's card plan by the National Payments Corporation of India (NPCI) with the goal of creating a local, open, and multilateral payment system.

Domestic payments make up close to 90% of all transactions in India. RuPay Scheme was created by Indian banks to drive down the cost of certain transactions, which were previously higher due to the influence of multinational card schemes.

Because this is a newer payment gateway technology, it is currently only accepted in India and a few other countries where RuPay has agreements.

Many public, private, cooperative, and regional rural banks in India issue RuPay cards to their users. These debit cards are distributed in conjunction with Jan Dhan Yojana bank accounts.

All ATMs, Point-of-Sale terminals, and almost all internet shops accept RuPay debit cards.

3.4 Contactless Cards:

These cards come with a built-in radio frequency module, which means you can pay for purchases just by waving the card in front of the machine. As long as one holds the card close to an RFID scanner at the merchant location, it should work.

The method is comparable to that of employee identification cards that utilise sensing technology to grant access to the organization's facilities. You do not have to pass your card over to the cashier or enter a PIN. This is regarded safer than conventional debit cards.

It helps ensure the card is not being cloned by routine frauds. India's top financial institutions, such as SBI and HDFC Bank, are known to provide contactless credit cards that are accepted in many major retail locations around the country.

3.5 Maestro Cards:

This is similar to debited MasterCard cards. You can use them at ATMs worldwide and pay online shopping. For domestically and internationally POS establishments, Maestro debit cards were accepted.

Their very secure paid platform is famous for these cards.

4. FACILITIES GOVERNING USAGE OF DEBIT CARDS

Below are the different functions of debit cards and its advantages and disadvantages of using them.

4.1 Debit cards can function in two ways:

4.1.1 Like an ATM card to withdraw cash instantly

4.1.2 Like a check while purchasing an item. The money for payment is normally debited in a day or two from your account, depending upon the time the store pays for payment.

4.2 Advantages of a Debit Card:

4.2.1 Easy to acquire. After opening an account, a debit card will be sent to you by most institutions.

4.2.2 Accessibility. Contactless or chip-enabled terminals or swipe the card instead of filling out a paper check are options for buying products.

4.2.3 Security. There is no cash or chequebook you have to carry.

4.2.4 Accepted quickly. Usually debit cards (for non-interruption, make sure you advise your financial institution to leave your city) are generally adopted outside of the city (or beyond your country).

4.3 Disadvantages of a Debit Card:

4.3.1 No time limit. A debit card, unlike a credit card, draws cash straight through your checking account. A credit card allows you to borrow money on credit while still having cash on hand.

4.3.2 Check Book maintaining. If you don't keep track of every debit card transaction, maintaining your account may be challenging.

4.3.3 Fraudulent activity. Most banks will make every effort to safeguard their customers from debit card fraud. A customer, on the other hand, could be held accountable for a share of illegal debit card transactions. Make sure to ask your financial institution for more information.

4.3.4 Charges. If the ATM is not linked with your institution, accessing such debit card for ATM transactions could be costly.

5. OBSERVATION AND SUGGESTIONS

In order to secure the payment gateways for the transactions that are made using Debit Cards, The Reserve Bank of India (commonly known as RBI) has introduced new rules and guidelines from October 1, 2020.

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Based on the new guidelines introduced, customers can now set their preferences and can opt for in and out of services and also, they can set their transaction limits by themselves.

- For all the newly issued debit cards, banks will enable only the domestic transactions in ATMs and the terminals which are marked as Point of Sale (PoS).
- Customers after receiving their cards can set up their own transaction limit.
- Customers can decide whether they need online transactions, international transactions and contactless transactions if available by themselves without the help of banks.
- An important guideline introduced by RBI is that the online or internet banking will be disabled by the banks if the cards are not being used for online transactions.

In-case if the customers need to enable their internet banking option or enable online transactions, they can visit their respective bank's mobile application to enable it on their own.

Suggestions

In the current day-to-day life, it is important to have a debit card (which is also called as ATM card) linked to the customers bank account in hand so that it is easy to withdraw cash or money from ATM machines and also make payments for purchasing goods or services which are enabled with PoS.

Debit cards make life easier preventing customers standing in queue for withdrawal of cash in Banks. Also, there is no interest levied for the usage of debit cards to certain reasonable limit. Using these cards, Cash Deposit is also possible where there are deposit machines available. This also prevents a walk to the bank avoiding queues and crowds.

Reviewing the other features of debit card combined with ATM machine, it is possible to do all the wonders that happen inside a bank, Changing ATM PIN, Cash deposit, Checking the account balance and all the other offers and essentials.

For using Debit Cards, the respective banks also offer Reward points for each transaction made using the card. For these points, cashback can be obtained or for its equivalent money products or services can be purchased.

Based on the security point of view, unless and until one share his ATM Pin or OTP obtained to the respective mobile number, it is evident that debit cards are highly secure. From the observation it is suggested that usage of debit cards can be believed and can be used across the world for any transactions in our day-to-day life.

6. CONCLUSION

If your account is charged twice but only once cash is dispensed, or if your account is charged but no cash is discharged from an ATM's, do not fear. This issue is only going to last a short time.

The bank can be approached via phone or online if you have a difficulty (now most of the banks have the facility on their websites). The following must be listed precisely and with extreme care in the complaint format:

1. The account number of your SB bank card, and your full name
2. The transaction's date
3. The ATM's ID number: Each ATM has a unique ID. In a distinctive fashion, it denotes the name of the bank and its location. For instance, if the code is S1AM0351, the bank's name is Bank of Maharashtra and its location ID is Tambaram, Chennai. Banks' ATMs will all have individual numbers as well. The number you are looking for is printed on the machine on then you'll have a conflict, and/or is included in your bank statement or passbook.
4. Transaction time.
5. Transaction sequence number
6. The amount in dispute.

Some of these particulars can be found in the ATM receipt you will receive. If you can't acquire a printout, fill out the complaint form with the correct information to get a response.

Please complain about any dubious transactions when you're unable to distinguish. But refrain from making complaints about legitimate transactions if you can help it. If you have a complaint, be as explicit as possible.

The bank is required to settle the complaint by the end of the seventh day following the date the complaint was filed. As proof of payment, the bank has to present satisfactory evidence of payment. If you are not happy with the CCTV footage, you have the authority to demand it from the bank. When you have two ATM withdrawals for the same amount, like Rs.15,000, you need report the second transaction and get proof for it as evidence of payment.

This means that it is important to follow it up with the bank to follow up on the resolution of your issue. When doing an audit of your bank statement, examine each and every transaction included in the passbook or statement. Whenever you notice something that appears to be questionable, investigate further with bank and have the issue fixed.

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